

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: FLOW METALS CORP. (the “Issuer”).

Trading Symbol: FWM

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Second Quarter (Six-month period) ended January 31, 2021

Unaudited condensed consolidated interim financial statements of the Issuer for the six-month period ended January 31, 2021, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix A.

## **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

### **1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed consolidated interim financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six-month period ended January 31, 2021, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.

## 2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

As at June 18, 2020, the Issuer's Form 2A –Listing Statement, 20,266,315 common shares in the capital of the Issuer were issued and outstanding.

(a) summary of securities issued during the period,

The following securities were issued during the period of November 1, 2020 to January 31, 2021:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
December 21, 2020	Common shares	Shares for debt transaction	400,000	\$0.11 per share	N/A	Payment of debt	Scott Sheldon (CEO and Director) and Jaap Verbaas (former COO)	N/A

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
20-Jan-21	500,000	N/A	Consultant	\$0.10	20-Jan-21	\$0.085
20-Jan-21	100,000	N/A	Consultant	\$0.10	20-Jan-21	\$0.085

## 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at January 31, 2021, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special

rights or restrictions, of which 31,698,123 common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

(b) number and recorded value for shares issued and outstanding,

Date	Share Class	Number of Shares	Recorded value of shares
As at January 31, 2021	Common	31,698,123	\$1,761,216

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at January 31, 2021, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
October 13, 2020	800,000	\$0.10	October 13, 2022	\$24,380
January 20, 2021	600,000	\$0.10	January 20, 2022	\$18,958
<b>TOTAL</b>	<b>1,300,000</b>			

Warrants: As at January 31, 2021, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

<b>Date of Issue</b>	<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Recorded Value</b>
June 12, 2019	4,000,000	\$0.10	June 12, 2021	\$Nil
May 6, 2020	3,700,000	\$0.10	May 6, 2022	\$Nil
August 26, 2020	10,195,808	\$0.15	August 26, 2023	\$38,322
<b>TOTAL</b>	<b>17,895,808</b>			

Plan of Arrangement Convertible Securities: As at January 31, 2021, the Issuer has the following securities outstanding arising from the Plan of Arrangement with Go Metals Corp. (“Go Metals”). The following common shares are reserved for issuance pursuant to the exercise of Go Metals stock options and warrants:

<b>Date of Issue</b>	<b>Type</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Recorded Value</b>
January 23, 2018	Stock options	549,999	\$0.09	January 23, 2023	\$Nil
July 28, 2017	Warrants	951,663	\$0.075	July 28, 2021	\$Nil
December 22, 2017	Warrants	233,332	\$0.075	July 28, 2021	\$Nil
February 11, 2018	Warrants	1,999,995	\$0.15	February 11, 2022	\$Nil
<b>TOTAL</b>		<b>3,734,989</b>			

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

The Issuer does not have any securities outstanding that are subject to an escrow, pooling agreement or a restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
R. Brian Murray	Director and Chief Financial Officer
Donald Sheldon	Director
Scott Sheldon	Director and Chief Executive Officer
Adrian Smith	Director
Michael Woods	Corporate Secretary

#### **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the six-month period ended January 31, 2021, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix B.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 31, 2021.

Scott Sheldon  
Name of Director or Senior Officer

"Scott Sheldon"  
Signature

Director  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Flow Metals Corp.	January 31, 2021	2021/03/31
Issuer Address		
789 West Pender Street, Suite 810		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6C 1H2	(604) 687-3141	(604) 687-2038
Contact Name	Contact Position	Contact Telephone No.
Scott Sheldon	Director/CEO	(604) 725-1857
Contact Email Address	Web Site Address	
gold@flowmetals.com	www.flowmetals.com	

**APPENDIX A**

FLOW METALS CORP.

Unaudited condensed consolidated interim financial statements  
for the six-month period ended January 31, 2021



# **FLOW METALS CORP.**

Condensed Interim Financial Statements

For the Six Months Ended January 31, 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

***NOTICE TO READER***

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company must disclose if an auditor has not performed a review of the condensed interim financial statements.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management.

These unaudited condensed interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company.

**FLOW METALS CORP.**

Condensed Interim Statements of Financial Position  
(Unaudited)  
(Expressed in Canadian dollars)

As at	January 31, 2021 \$	July 31, 2020 (Audited) \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (note 10)	582,889	192,841
Receivables	21,337	8,672
Prepaid expenses and deposits	9,004	1,839
<b>Total Current Assets</b>	<b>613,230</b>	<b>203,352</b>
Mineral properties (Note 5)	548,689	454,250
Right-of-use asset (Note 6)	14,250	-
<b>Total Assets</b>	<b>1,767,169</b>	<b>657,602</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	3,000	8,509
Due to related parties (Note 9)	21,703	41,398
Current portion of lease liabilities (Note 8)	4,951	-
<b>Total Current Liabilities</b>	<b>29,654</b>	<b>49,907</b>
<b>Long Term-Liabilities</b>		
Long term portion of lease liabilities (Note 8)	9,556	-
<b>Total Long-Term Liabilities</b>	<b>9,556</b>	<b>49,907</b>
<b>Total Liabilities</b>	<b>39,210</b>	<b>49,907</b>
<b>Shareholders' Equity</b>		
Share capital (Note 7)	1,737,216	872,788
Reserves	83,341	1,681
Deficit	(707,598)	(266,774)
<b>Equity</b>	<b>1,136,959</b>	<b>607,695</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,176,169</b>	<b>657,602</b>

Approved by the Board of Directors on March 30, 2021:

*"Scott Sheldon"*

Scott Sheldon, Director & CEO

*"Donald Sheldon"*

Donald Sheldon, Director

The accompanying notes are an integral part of these condensed interim financial statements

**FLOW METALS CORP.**

Condensed Interim Statements of Loss and Comprehensive Loss

For the six months ended January 31, 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	January 31, 2021	January 31, 2020	January 31, 2021	January 31, 2020
	\$	\$	\$	\$
<b>Exploration Expenses</b> (Notes 5 and 9)	20,711	-	258,347	18,605
<b>Administrative Expenses</b>				
Audit and accounting fees	9,589	6,436	16,848	6,436
Accretion	594	-	594	-
Consulting fees	5,499	7,203	14,008	5,499
Depreciation	2,250	-	2,250	-
General and administrative	2,563	6,370	12,169	8,169
Legal	-	4,116	-	4,116
Marketing	19,123	-	19,123	-
Management fees (Note 9)	24,000	-	60,000	-
Stock-based compensation	18,958	-	43,338	-
Transfer agent and filing fees	5,736	3,741	14,187	8,543
Travel	-	1,941	-	6,811
<b>Total administration expenses</b>	(90,025)	(22,604)	(182,517)	(39,574)
<b>Other Income</b>				
Interest income	20	67	40	135
<b>Net loss and comprehensive loss</b>	(110,716)	(22,537)	(440,824)	(58,044)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average shares outstanding	31,476,384	14,225,565	29,903,411	14,225,565

The accompanying notes are an integral part of these condensed interim financial statements

**FLOW METALS CORP.**

Condensed Interim Statements of Changes in Equity  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>Share Capital</b>					
	<b>Common Shares #</b>	<b>Amount \$</b>	<b>Share subscriptions receivable \$</b>	<b>Reserves \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
Balance, at July 31, 2019	14,255,565	545,750	(30,000)	-	(98,064)	417,686
Share subscription received	-	-	30,000	-	-	30,000
Net loss for the period	-	-	-	-	(58,044)	(58,044)
Balance, at January 31, 2020	14,225,565	545,750	-	-	(156,108)	389,642
Balance, at July 31, 2020	20,766,315	872,788	-	1,681	(266,774)	607,695
Shares issued for mineral property	800,000	88,000	-	-	-	88,000
Shares issued for private placement	9,731,808	880,163	-	-	-	880,163
Shares for debt	400,000	24,000	-	-	-	24,000
Share issuance cost	-	(103,735)	-	38,322	-	(65,413)
Stock-based compensation	-	-	-	43,338	-	43,338
Net loss for the period	-	-	-	-	(440,824)	(440,824)
Balance, at January 31, 2021	31,698,123	1,761,216	-	83,341	(707,598)	1,136,959

The accompanying notes are an integral part of these condensed interim financial statements

**FLOW METALS CORP.**

Condensed Interim Statements of Cash Flows  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>Six months ended</b>	
	<b>January 31, 2021</b>	<b>January 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss for the period	(440,824)	(58,044)
Items not involving cash:		
Accretion	594	-
Depreciation	2,250	-
Stock based compensation	43,338	-
Changes in non-cash operating working capital:		
Receivables	(12,665)	206
Prepaid expenses	(7,165)	-
Accounts payable and accrued liabilities	(5,509)	5,929
Due to related parties	4,305	(296)
Cash used in operating activities	(415,676)	(52,205)
<b>Investing activity</b>		
Lease liability	(2,587)	-
Exploration and evaluation asset	(6,439)	-
Cash received used in investing activity	(9,026)	-
<b>Financing activities</b>		
Net proceeds from issuance of shares	814,750	-
Share subscriptions received	-	30,000
Cash received from financing activities	814,750	30,000
Increase in cash and cash equivalents	390,048	(22,205)
Cash and cash equivalents, beginning of period	192,841	94,563
Cash and cash equivalents, end of period	582,889	72,358
Cash	572,889	72,358
Cash equivalents	10,000	10,000
	582,889	72,358
<b>Supplemental information</b>		
Shares issued for mineral property	88,000	-
Shares issued for debt	24,000	-
Warrants issued for finders' fee	38,322	-

The accompanying notes are an integral part of these condensed interim financial statements

## **FLOW METALS CORP.**

Notes to the condensed interim Financial Statements  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

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### **1. Nature of Operations and Going Concern**

Flow Metals Corp. ("Flow Metals" or the "Company") was incorporated on July 11, 2018 under the *Business Corporations Act* (British Columbia) with 100 common shares issued to its initial and sole shareholder, Go Metals Corp. ("Go Metals"). The Company's registered office is located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

The Company entered into a Plan of Arrangement (the "Arrangement") with Go Metals whereby the Company would own all of Go Metals' interest in the New Brenda Property (Note 4). As consideration for the New Brenda Property, the Company issued 9,767,234 common shares to Go Metals, which would then be distributed to the shareholders of Go Metals pro-rata based on their relative shareholdings of Go Metals. Following the Arrangement, the Company would be a junior mineral exploration company focused on copper and gold exploration projects in Canada. On June 22, 2020 the Company has satisfied the listing requirements of the Canadian Securities Exchange and its common shares are being listed with commencement of trading effective June 22, 2020, under the symbol "FWM".

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at January 31, 2021, the Company has not generated any revenues from operations and has an accumulated deficit of \$707,598 (July 31, 2020 – 266,774). The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

### **2. Basis of Presentation**

#### **(a) Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

## **FLOW METALS CORP.**

Notes to the condensed interim Financial Statements  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

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### **2. Basis of Presentation (continued)**

#### (b) Statement of Compliance (continued)

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended July 31, 2020.

#### (c) Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 of the Company's annual financial statements as at and for the year ended July 31, 2020. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### (d) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its condensed interim financial statements. These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

### **3. Significant Accounting Policies**

#### (a) Critical Accounting Judgments and Estimates

The preparation of condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

##### *Critical Accounting Estimates*

The following are the key estimates that may have a significant risk of resulting in a material adjustment in future periods.

##### Fair value estimates of shares

The fair value of shares issued is estimated based on cash consideration received. If shares are issued for proceeds other than cash, the shares are valued at the fair market value of goods/services received.



## FLOW METALS CORP.

Notes to the condensed interim Financial Statements  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### Fair value estimates of equity instruments

The fair value of each stock option granted is estimated at the grant date using the Black-Scholes option pricing model. The estimated life of the stock options and conversion at grant date is based on the expected life of the options and assumptions about the expected exercise pattern. Expected volatility of stock options is estimated based on the volatility of companies comparable in size and operations to the Company.

#### Recoverable value of asset carrying values

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability is subject to significant management estimates and judgments. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

#### *Critical Judgments Used in Applying Accounting Policies*

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim financial statements are as follows:

#### Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

#### Determination of Going Concern Assumption

The preparation of these condensed interim financial statements requires management to make judgments regarding the applicability of going concern assumption to the Company as discussed in Note 1.

#### Impairment of exploration and evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property and equipment and mineral properties.

In respect of costs incurred for its mineral properties, management has determined that related acquisition costs incurred, which have been capitalized, continue to be appropriately recorded on the statements of condensed interim financial position at its carrying value as management has determined there are no indicators of impairment for its mineral properties as at January 31, 2021 and July 31, 2020.

## **FLOW METALS CORP.**

Notes to the condensed interim Financial Statements  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

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### **3. Significant Accounting Policies (continued)**

#### **IFRS 16 - Leases**

The Company adopted IFRS 16. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company does not have any leases prior to January 1, 2019, and as a result, this standard had no impact on the Company's financial statements on the day of adoption.

As a result of adopting IFRS 16, the Company updated its lease accounting policies as follows:

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The depreciation is recognized from the commencement date of the lease.

Other 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.

## FLOW METALS CORP.

Notes to the condensed interim Financial Statements  
For the six months ended January 31, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

### 4. Plan of Arrangement

Under the terms of the Arrangement, in consideration of the New Brenda Property, the Company would issue to Go Metals 9,767,234 common shares (the "Flow Metals Shares") based on one Flow Metals Share being issued for every six issued and outstanding Go Metals common shares ("Go Metals Shares") (Note 6). As a step in the Arrangement, Go Metals distributed the Flow Metals Shares to its registered shareholders by way of a return of paid-up capital, and each registered shareholder would receive one Flow Metals Share for every six Go Metals Shares held (Note 1). On September 10, 2018, the B.C. Supreme Court approved the Arrangement effective for September 17, 2018. On September 17, 2018, the Company issued 9,767,234 common shares valued at \$326,000 to Go Metals under the terms of the Arrangement.

As a result of the Arrangement, outstanding warrants and options to purchase Go Metals Shares would be exercisable to acquire Flow Metals Shares as well as Go Metals Shares on the basis that the holder would receive, upon exercise, one Flow Metals Share for every six Go Metals Shares so acquired.

### 5. Mineral Properties

The Company's mineral property interests are comprised of the following properties:

	Ashuanipi	New Brenda	Sixty Mile	Total
Balance, at July 31, 2018	\$ -	\$ -	\$ -	\$ -
Plan of Arrangement (Note 4)	-	326,000	-	326,000
Additions	-	4,750	45,000	49,750
Balance, at July 31, 2019	\$ -	\$ 330,750	\$ 45,000	\$ 375,750
Additions	30,000	3,500	45,000	78,500
Balance, at July 31, 2020	\$ 30,000	\$ 334,250	\$ 90,000	\$ 454,250
Additions	61,439	-	33,000	94,439
<b>Balance at January 31, 2021</b>	<b>\$ 91,439</b>	<b>\$ 334,250</b>	<b>\$ 123,000</b>	<b>\$ 548,689</b>

During the six months ended January 31, 2021, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	New Brenda	Sixty Mile	Total
Assay / analytical	\$ 30,000	\$ 2,836	\$ 32,836
Drilling	-	113,720	113,720
General administrative	-	2,448	2,448
Field work	3,975	35,495	39,470
Geological (Note 9)	-	63,663	63,663
Transportation / travel	506	5,704	6,210
<b>Total mineral property expenditures</b>	<b>\$ 34,481</b>	<b>\$ 223,866</b>	<b>\$ 258,347</b>

## FLOW METALS CORP.

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### 5. Mineral Properties (continued)

During the six months ended January 31, 2020, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	New Brenda	Sixty Mile	Total
Assay	\$ 5,009	\$ 1,349	\$ 6,358
Field work	-	5,200	5,200
Geological	2,800	3,711	6,511
Transportation / travel	536	-	536
<b>Total mineral property expenditures</b>	<b>\$ 8,345</b>	<b>\$ 10,260</b>	<b>\$ 18,605</b>

#### *Ashuanipi Gold Property, Quebec, Canada*

On February 21, 2020, the Company signed an option agreement with Windfall Geotek "Windfall", to acquire a 100% interest in 115 claims located in Quebec, Canada. As consideration, the Company is required to make cash payments of \$120,000 over three years, Issue 2,100,000 common shares over three years, and have a strategic partnership with Windfall for \$60,000 and expend exploration expenditures of \$450,000, as follows:

#### Cash consideration

- (i) \$30,000 to be paid within the first anniversary date from signing of the agreement. (amended on April 23, 2020 to 13 months of the common shares of the Company being listed on the Canadian Securities Exchange ("CSE"))
- (ii) \$40,000 to be paid February 20, 2022; and
- (iii) \$50,000 to be paid February 20, 2023

#### Share consideration

- (iv) 100,000 issued within 10 days of signing; (issued with a fair value of \$5,000)
- (v) 500,000 issued upon listing on the CSE; (issued with a fair value of \$25,000)
- (vi) 500,000 issued February 20, 2021; (issued with a fair value of \$55,000)
- (vii) 500,000 to be issued February 20, 2022; and
- (viii) 500,000 to be issued February 20, 2023

#### Strategic partnership

The Company agreed to use the artificial intelligence "AI" exploration targeting, Computer Aided Resource Detection System "CARDS" supplied by Windfall Geotek, on another project with a contract value of \$60,000 plus tax. Agreement for use of this AI must be signed within 45 days of listing on the CSE.

#### Exploration expenditures

\$450,000 to be spent during the first three years of the agreement.

During the six-month period ended January 31, 2021 the company staked 47 contiguous claims additionally

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### 5. Mineral Properties (continued)

#### *New Brenda Property, British Columbia, Canada*

i) On September 17, 2018, the Company acquired the 100% of the New Brenda Property from Go Metals valued at \$326,000 pursuant to the Arrangement (Note 4). The New Brenda Property is comprised of 15 contiguous mineral claims located in South Central British Columbia in the traditional territory of the West Bank First Nation.

During the year ended July 31, 2019, the Company issued 158,331 common shares valued at \$4,750 to shareholders of Go Metals upon exercise of Go Metals' stock options and warrants, pursuant to the Arrangement which has been capitalized to the New Brenda Property (Notes 4 and 6).

ii) On June 8, 2020, the Company has entered into a purchase and sale agreement with an arm's length party and acquired the Old Gorilla mining claim located within the New Brenda property borders. The Old Gorilla claim is in proximity to the historical and 2019 trenching targets. In order to obtain the Old Gorilla claim, the Company had to issue 70,000 of its shares (issued with a fair value of \$3,500).

#### *Sixty Mile Property, Yukon Territory, Canada*

On March 23, 2019, the Company signed an option agreement with three optionors to acquire a 100% interest in the Sixty Mile Property located in Yukon Territory, Canada. For consideration, the Company is required to make the following payments:

- a) \$5,000 cash payment on the agreement date or within five calendar days thereof (paid);
- b) \$25,000 cash payment (paid) and 300,000 common shares (issued and fair valued at \$15,000) of the Company on the earlier of 120 days from the agreement date or upon listing of the common shares of the Company on the CSE;
- c) \$30,000 cash payment and 300,000 common shares of the Company on or before the first-year anniversary of the agreement date; (issued 600,000 shares with a fair value of \$30,000 for the cash payment and issued 300,000 shares with a fair value of \$15,000 for the shares)
- d) \$30,000 cash payment and 300,000 common shares of the Company on or before the second year anniversary of the agreement date; (issued 300,000 shares with a fair value of \$33,000) and
- e) \$30,000 cash payment and 300,000 common shares of the Company on or before the third year anniversary of the agreement date.

Upon completion of these payments, the Company will earn a 100% interest in the property ("Earn-In") subject to a 3% net smelter return ("NSR") royalty retained by the optionors. At any time, the Company shall have the option to acquire 2% of the 3% NSR by paying \$1,000,000 per 1% to the optionors. In addition, the Company is required to pay an advance royalty of \$30,000 to the optionors one year following the Earn-In and annually thereafter on the Earn-In anniversary date, until the mineral claims are in commercial production which the advance royalty payments shall be deducted from the Optionors' share of the NSR. The Company can elect to issue common shares in substitution for such cash payment at a deemed value equal to the most recent closing price of the Company's shares on the CSE.

During the six-month period ended January 31, 2021 the company staked 120 contiguous claims additionally.

## FLOW METALS CORP.

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### 6. Right-of-use asset

The right-of-use asset relates to the subleased office building. The sublease is reflected on the balance sheet as a right-of-use asset, with an associated sublease liability (Note 9). The discount rate applied to the sublease is 15%.

	January 31, 2021	July 31, 2020
Cost recognized		
November 01, 2021	16,500	-
Depreciation	(2,250)	-
Book value	14,250	-

### 7. Share Capital

#### (a) Authorized

Unlimited number of common shares without par value.

#### (b) Issued and Outstanding

The Company had 31,698,123 (July 31, 2020 – 20,766,315) shares outstanding.

#### (i) Shares issued during the six-month period ending January 31, 2021

The Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling \$24,000. The disinterested directors of the Company have approved the settlement agreements with each of the Insiders. On December 21, 2020 pursuant to the settlement agreements, the Company issued an aggregate of 400,000 Common shares to the Insiders at a deemed price of \$0.06 per common share (Note 9).

On August 26, 2020, the Company closed a private placement and issued 9,516,782 units at a price of \$0.09 per unit each unit was comprised of one common share and one common share purchase warrants. Each warrant can purchase one common share at a price of \$0.15 per warrant until August 26, 2023. In connection with the private placement, the company issued 215,026 finder shares and paid \$38,322 cash finders' fee. The Company also issued an additional 679,026 finders warrants on the same terms with the fair value of the finders warrants determined to be \$38,322 recorded as share issuance costs and calculated under the Black-Scholes model.

On August 25, 2020 the Company issued 500,000 common shares pursuant to the mineral property acquisition option agreement of the Ashuanipi property (Note 5), at a fair value of \$0.11 per share for a total fair value of \$55,000.

On August 25, 2020 the Company issued 300,000 common shares pursuant to the mineral property acquisition option agreement of the Sixty Mile property (Note 5), at a fair value of \$0.11 per share for a total fair value of \$33,000.

## FLOW METALS CORP.

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### 7. Share Capital (continued)

#### (b) Issued and Outstanding

##### (ii) Shares issued during the year ending July 31, 2020

On July 20, 2020 the Company issued 500,000 common shares fair valued at \$25,000 pursuant to the mineral property acquisition option agreement of the Ashuanipi Gold property (Note 5).

On June 9, 2020, the Company issued 70,000 common shares fair valued at \$3,500 pursuant to the mineral property acquisition agreement of the Old Gorilla claims of the New Breda property (Note 5).

On May 6, 2020, the Company closed a non-brokered private placement of 3,700,000 units issued at a price of \$0.05 per unit for gross proceeds of \$185,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.10 per common share until May 6, 2022.

On May 6, 2020 the Company issued 1,270,750 shares at a fair value of \$0.05 per share to settle \$127,075 debt. The shares were fair valued at \$63,538 resulting in a gain on debt settlement of \$63,537 recorded in other income on the statement of loss and comprehensive loss. A total of \$52,000 of the debt was owing to the Chief Executive Officer and Chief Operating Officer the Company for management and geological consulting fees (Note 7).

On March 23, 2020, the Company issued 600,000 common shares fair valued at \$30,000 in stead of cash payment pursuant to the mineral property acquisition option agreement of the Sixty Mile property (Note 5).

On March 18, 2020, the Company issued 300,000 common shares fair valued at \$15,000 pursuant to the mineral property acquisition option agreement of the Sixty Mile property (Note 5).

On February 24, 2020 the Company issued 100,000 common shares fair valued at \$5,000 pursuant to the mineral property acquisition option agreement of the Ashuanipi Gold property (Note 5).

#### (c) Warrants

	Six-month period ended January 31, 2021		Year ended July 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	<b>7,700,000</b>	<b>\$ 0.10</b>	4,000,000	\$ 0.10
Issued	<b>10,195,808</b>	<b>\$ 0.15</b>	3,700,000	0.10
Ending	<b>17,895,808</b>		7,700,000	

## FLOW METALS CORP.

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### 7. Share Capital (continued)

#### (c) Warrants (continued)

As at January 31, 2021, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
4,000,000	\$0.10	June 12, 2021
3,700,000	\$0.10	May 6, 2022
10,195,808	\$0.15	August 26, 2023
<b>17,895,808</b>		

#### (d) Stock Options

The Company grants stock options to directors, officers, employees and consultants and affiliate or any person deemed suitable by the board of directors, pursuant to its Incentive Share Option Plan (the "Plan"). The number of options that may be issued under the Plan is limited to no more than 10% of the Company's issued and outstanding shares on the grant date. Options issued under the Plan vest immediately and must have a term equal to or less than 5 years and exercise price equal to or greater than market price on grant date.

	Year ended January 31, 2021		Year ended July 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	<b>500,000</b>	<b>\$ 0.11</b>	-	\$ -
Granted	<b>1,400,000</b>	<b>\$ 0.10</b>	500,000	0.11
Expired	<b>(500,000)</b>	<b>\$ 0.11</b>	-	-
Ending	<b>1,400,000</b>		500,000	

As at January 31, 2021, the Company had the following stock options outstanding:

Number of options	Exercise price	Expiry date
800,000	\$0.10	October 13, 2022
600,000	\$0.10	January 20, 2022
<b>1,400,000</b>		

The fair value of stock options granted was estimated using the Black-Scholes option pricing model using the following assumptions:

	2021	2020
Risk free interest rate	0.12% - 0.20%	0.26%
Expected life (in years)	1.00 - 2.00	0.50
Expected volatility	100%	100%
Dividend yield	-	-



## FLOW METALS CORP.

Notes to the condensed interim Financial Statements  
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### 7. Share Capital (continued)

#### (d) Stock Options (continued)

The expected volatility assumption is based on the volatility of companies comparable in size and operations to the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its share capital

### 8. Lease Liability

The Company recognized right-of-use asset of \$16,500 and lease liability of \$16,500. The Company recorded a right-of-use asset for leased property in the statement financial position as at January 31, 2021. At the commencement date of the lease, the lease liability was measured as the present value of the future lease payments that were not paid at that date. These lease payments are discounted using a discount rate of 15%, which is the Company's estimated incremental borrowing rate.

The following is a continuity schedule of lease liabilities for the period ended January 31, 2021:

	\$
Balance, October 31, 2020	-
Lease additions (Note 4)	16,500
Lease payments	(2,588)
Accretion on lease liability	595
Balance January 31, 2021	14,507
Current portion	4,951
Long term portion	-
	9,556

### 9. Related Party Transactions

During the six-month period ended January 31, 2021, the Company accrued management fees of \$42,000 (2020 - \$Nil) to a company controlled by the Chief Executive Officer and director of the Company and \$18,000 (2020 - \$Nil) to the Chief Operating Officer of the Company. The Company paid \$26,500 (2020 - \$Nil) in geological consulting fees to a company controlled by an officer of the Company.

During the six months period ending January 31 2021 the Company issued 600,000 stock options to directors and officers with a fair value of \$18,285.

During the six months ended January 31, 2021, the Company paid legal fees of \$NIL (2020 - \$4,116) to a company controlled by a director of the Company.

As at January 31, 2021, the Company had an amount owing of \$17,500 (July 31, 2020 - \$6,000) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at January 31, 2021, the Company had an amount owing of \$11,850 (July 31, 2020 - \$Nil) to a company controlled by an Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

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### 9. Related Party Transactions (continued)

As at January 31, 2021, the Company had an amount receivable of \$7,647 (July 31, 2020 – amount payable of \$11,298) to Go Metals, a company with common management and directors. This amount is non-interest bearing, unsecured and repayable on demand.

The Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling \$24,000. The disinterested directors of the Company have approved the settlement agreements with each of the Insiders. On December 21, 2020 pursuant to the settlement agreements, the Company issued an aggregate of 400,000 Common shares to the Insiders at a deemed price of \$0.06 per common share (Note 9).

A total of \$52,000 of debt owing to the Chief Executive Officer and Chief Operating Officer the Company for management and geological consulting fees was settled during the year ended July 31, 2020 for 520,000 common shares of the Company with a fair value of \$26,000 for a gain on settlement of debt of \$26,000 (Note 7)

### 10. Financial Instruments

#### (a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	January 31, 2021 \$	July 31, 2020 \$
Financial assets, measured at amortized cost:		
Cash and cash equivalents	582,889	192,841
	582,889	192,841
Financial liabilities, measured at amortized cost:		
Accounts payable	3,000	8,509
Due to related parties	21,703	41,398
Lease liabilities	14,507	-
	39,210	49,907

#### (b) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

## **FLOW METALS CORP.**

Notes to the condensed interim Financial Statements  
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### **10. Financial Instruments (continued)**

As at January 31, 2021, the fair values of accounts payable and accrued liabilities and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

#### **(c) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. All of the Company's current liabilities are due within 90 days of January 31, 2021.

#### **(d) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As at January 31, 2021, the Company's credit risk is limited to the carrying amount on the condensed interim statement of financial position arising from the Company's cash.

Cash and cash equivalents of cash and guaranteed investment certificates held in Canadian financial institutions from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist primarily of goods and services tax and harmonized sales tax due from the Federal Government of Canada.

#### **(e) Price Risk**

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to any significant price risk at January 31, 2021.

#### **(f) Interest rate risk**

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company is not subject to significant interest rate risk.

#### **(g) Foreign currency exchange rate risk**

The Company currently has no significant operations denominated in foreign currencies and is not exposed to significant foreign currency exchange rate risk.

## **FLOW METALS CORP.**

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### **11. Capital Management**

The Company defines its capital as cash and equity comprised of issued share capital and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There have been no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements as at January 31, 2021.

### **12. Segmented Information**

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

**APPENDIX B**

FLOW METALS CORP.

Management's Discussion & Analysis  
for the six-month period ended January 31, 2021

**FLOW METALS CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**  
**FOR THE SIX-MONTH PERIOD ENDED JANUARY 31, 2021**

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the six months ended January 31, 2021, compared to the six months ended January 31, 2020. This report prepared as at March 30, 2021 intends to complement and supplement our condensed interim financial statements (the "financial statements") as at January 31, 2021 which have been prepared in accordance with International Financial Reporting Standards, and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the condensed interim financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements (the "financial statements") and accompanying notes for the year ended July 31, 2020, (the "financial statements"), which have been prepared in accordance with International Financial Reporting Standards.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "numbered company", we mean Flow Metals Corp., as it may apply.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company's business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company's project. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) weak commodity prices and general metal price volatility; (2) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (3) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

### **Overall performance**

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During the six-month period ended January 31, 2021, the Company incurred exploration expenses of \$258,347, which includes \$223,866 spent on the Sixty Mile property and \$34,481 spent on the New Brenda property. In addition, general and administrative expenses of \$182,517 consisted of general maintenance activity of the Company.

On March 25 2021, the Company reported further results from the drill program at the 100% owned Yukon Sixty-mile gold project.

- 5.6 g/t Au over 1.5 m in SM20-02 from 10.7 to 12.2 m
- 4.0 g/t Au over 1.5m in SM20-09 from 35.1 to 36.6 m
- Wider intervals with anomalous gold detected in SM20-14 and SM20-15

The drillhole data is currently being interpreted in the context of regional, project, and occurrence scale geophysics to plan future geophysical programs and drilling. The interpreted dataset will allow for the findings on Upper Glacier Creek to be expanded to the remainder of the claim block.

On February 1, 2021 the Company report results of historical drill core sampling on the 100% owned Sixty Mile Project:

- New high-grade intersect on Sixtymile project in the Easter Egg zone
- 12.81 g/t Au over 2.1m in DDH10-02 from 41.15 to 43.28m
- Data verification confirms widespread disseminated gold with local coarse gold

The Company also announced that Dr. Jacob Verbaas, P.Geo. has resigned from being the Chief Operating Officer and will continue as Vice President of Exploration providing consulting services to the Company in his capacity as a geologist.

The Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling \$24,000. The disinterested directors of the Company have approved the settlement agreements with each of the Insiders. Pursuant to the settlement agreements, on December 21, 2020 the Company issued an aggregate of 400,000 Common shares to the Insiders at a deemed price of \$0.06 per common share.

On November 17, 2020 the Company announced the discovery of visible gold in arsenopyrite-quartz veins at the surface on its 100% owned Sixty Mile Project. Highlights include:

- Visible gold identified in fault-related arsenopyrite-quartz veins
- Veins intersected at 16m and 50m depth in drill hole SM20-12
- Large vein system intersected from 35.1m to 41.1m in drill hole SM20-15

On October 28, 2020 the Company reported the completion of strategic land acquisition in Yukon and Quebec and added 120 contiguous claims staked in the Yukon and 47 contiguous claims staked in Quebec, connecting

## **FLOW METALS CORP.**

Management Discussion and Analysis  
For the period ended January 31, 2021

### **Overall performance (continued)**

separate claim blocks on the Ashuanipi property. The Company also welcomed Thanos Belivanakis to the advisory board.

On October 15, 2020 the Company reported completing a drilling program on the Sixty-mile property.

On September 14, 2020 the Company released a technical report NI 43-101 on the geology of the New Breda property in British Columbia, Canada.

On August 26, 2020, the Company closed a private placement and issued 9,516,782 units at a price of \$0.09 per unit each unit was comprised of one common share and one common share purchase warrants. Each warrant can purchase one common share at a price of \$0.15 per warrant until August 26, 2023. The Company issued an additional 679,026 finders warrants on the same terms and \$41,760 cash payments. In addition, 215,026 finder shares were paid.

On August 25, 2020 the Company issued 500,000 common shares pursuant to the mineral property acquisition option agreement of the Ashuanipi property.

On August 25, 2020 the Company issued 300,000 common shares pursuant to the mineral property acquisition option agreement of the Sixty Mile property.

On July 20, 2020 the Company issued 500,000 shares fair valued at \$25,000 pursuant to the acquisition of the Ashuanipi project.

On July 20, 2020, the company granted 500,000 stock options at a price of \$0.11 to one consultant, the options vest after three months and have an expiry date of Jan 20, 2021.

On June 22, 2020 the Company has satisfied the listing requirements of the Canadian Securities Exchange and its common shares are being listed with commencement of trading effective June 22, 2020, under the symbol "FWM".

On June 09, 2020 the Company issued 70,000 shares fair valued at \$3,500 pursuant to the acquisition of the Old Gorilla mineral claims expanding the New Breda project.

On May 06, 2020 the Company closed a non-brokered private placement, by issuing 3,700,000 units at \$0.05 per unit for gross proceeds of \$185,000. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant is exercisable to purchase one additional share at a price of \$0.10 for a period of 24 months from closing.

On May 6, 2020 the Company issued 1,270,750 shares at a fair value of \$0.05 per share to settle \$127,075 debt. The shares were fair valued at \$63,538 resulting in a gain on debt settlement of \$63,537 recorded in other income on the statement of loss and comprehensive loss. A total of \$52,000 of the debt was owing to the Chief Executive Officer and Chief Operating Officer the Company for management and geological consulting fees.

On March 23, 2020 the Company issued 600,000 shares fair valued at \$30,000 in stead of cash payment, pursuant to the acquisition of the Sixty Mile Project.

On March 18, 2020 the Company issued 300,000 shares fair valued at \$15,000 pursuant to the acquisition of the Sixty Mile Project.

On February 24, 2020 the Company issued 100,000 shares fair valued at \$5,000 pursuant to the acquisition of the Ashuanipi Project.



## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Overall performance (continued)**

On February 21, 2020, the Company signed an option agreement with Windfall Geotek "Windfall", to acquire a 100% interest in 115 claims located in Quebec, Canada. The Ashuanipi property is located from 30 to 90 kilometers west and north-west of Schefferville, Quebec, and lies within the Ashuanipi Complex in the northeastern portion of the Superior Province. As consideration, the Company is required to make cash payments of \$120,000 over three years, Issue 2,100,000 common shares over three years, and have a strategic partnership with Windfall Geotek for \$60,000 and expend exploration expenditures of \$450,000.

On June 12, 2019, the Company closed a non-brokered private placement with the issuance of 4,000,000 units ("Units") at \$0.05 per Unit for gross proceeds of \$200,000. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share for \$0.10 per common share for a period of two years from closing.

On July 23, 2019, the Company issued 300,000 common shares valued at \$15,000 related to the acquisition of the Sixty Mile Property.

On March 23, 2019, the Company signed an option agreement with three optionors to acquire a 100% interest in the Sixty Mile Property located in Yukon Territory, Canada. For consideration, the Company is required to make total cash payments of \$120,000 and issue 1,200,000 common shares staged over a 36 month period. The option agreement does not require the Company to make any minimum amount of exploration expenditures. Upon completion of these payments, the Company will earn a 100% interest in the property ("Earn-In") subject to a 3% NSR royalty retained by the optionors. At any time, the Company shall have the option to acquire 2% of the 3% NSR by paying \$1,000,000 per 1% to the optionors. In addition, the Company is required to pay an advance royalty of \$30,000 to the optionors one year following the Earn-In and annually thereafter on the Earn-In anniversary date, until the mineral claims are in commercial production which the advance royalty payments shall be deducted from the Optionors' share of the NSR. The Company can elect to issue common shares in substitution for such cash payment at a deemed value equal to the most recent closing price of the Company's shares on the Canadian Securities Exchange.

On November 8, 2018, upon exercise of Go Metals' options and warrants, the Company issued 158,331 common shares of the Company to the shareholders of Go Metals pursuant to the Arrangement.

On September 17, 2018, the Company closed a statutory plan of arrangement to spin-out New Brenda Property from Go Metals Corp. ("Go Metals") to the Company (the "Arrangement"). Under the terms of the Arrangement, the Company issued 9,767,234 common shares to Go Metals based on one Company common share being issued for every six issued and outstanding common shares of Go Metals. Outstanding warrants and stock options to purchase Go Metals' shares will be exercisable to acquire Company common shares as well as Go Metals' common shares, on the basis that the holder will receive, upon exercise, one Company common share for every six common shares of Go Metals acquired.

### **Discussion of operations**

Flow Metals Corp. ("Flow Metals" or the "Company") was incorporated on July 11, 2018 under the *Business Corporations Act* (British Columbia). On June 22, 2020 the Company has satisfied the listing requirements of the Canadian Securities Exchange and its common shares are being listed with commencement of trading effective June 22, 2020, under the symbol "FWM".

Further to the spin-out of the New Brenda Property from Go Metals to the Company as described above, the Company will be a junior mineral exploration company focused on copper and gold exploration projects in Canada. Its primary focus will be exploration of the New Brenda Property located in Southern British Columbia approximately 40km west of Kelowna, British Columbia.

The Company is an exploration stage company located at Suite 810, 789 West Pender Street, Vancouver, British Columbia, Canada V6C 1H2, engaged in the acquisition, exploration and development of mineral resource properties located in Canada.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Cash flow analysis**

#### *Operating Activities*

During the six-month period ended January 31, 2021, cash used in operating activities was \$415,676 (2020 - \$52,205) for activities as described above.

#### *Investing activities*

During the six-month period ended January 31, 2021, the company spent \$9,026 cash payments on investing activities, mainly \$6,439 on the mineral interests by staking. During the six-month period ended January 31, 2020 there were \$Nil cash used in investing activities.

#### *Financing activities*

During the six-month period ended January 31, 2021, the Company received \$814,750 net proceeds from financing activities, by issuing shares and in 2020 received \$30,000 in subscriptions receivable outstanding from the prior year.

### **Project Summaries and Activities**

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#### **CANADA**

##### ***New Brenda Property (British Columbia)***

i) On September 17, 2018, the Company acquired the New Brenda Property from Go Metals pursuant to the Arrangement.

The New Brenda Property is comprised of 16 contiguous mineral claims covering an area of 10,500 Hectares west of the past producing Brenda Cu-Mo open pit located in southern British Columbia, approximately 40 kilometers west of Kelowna. The property is readily vehicle accessible via a well-developed network of forest service roads connected to Highway 97c or from the community of Peachland.

A soil sampling and prospecting program was carried out in June 2017 on the New Brenda Property. The areas sampled were within Twilight and Silverback Zones. Soil samples were collected every 50m along lines spaced at 200m. Three contiguous samples from the Twilight Zone are highly anomalous in gold and occur in the central portion of the target area. There is also a E-W trending line of moderately anomalous samples extending from the central highly anomalous area to the west of the target area. At the south end of the target is an inverted "U" shaped series of highly anomalous soil samples. The large target (600m X 500m) remains open to the south.

ii) On June 08, 2020, the Company has entered into a purchase and sale agreement with an arm's length party and acquired the Old Gorilla mining claim located within the New Brenda property borders. The Old Gorilla claim is in proximity to the historical and 2019 trenching targets. In order to obtain the Old Gorilla claim, the Company had to issue 70,000 of its shares. (Issued with a fair value of \$3,500).

The total size of the New Brenda project is now 104,723 Ha (105 Km<sup>2</sup>).

##### ***Sixty Mile Property (Yukon Territory)***

On March 23, 2019, the Company signed an option agreement with three optionors to acquire a 100% interest in the Sixty Mile Property located in the Yukon Territory, Canada.

On February 1, 2021 the Company report results of historical drill core sampling on the 100% owned Sixty Mile Project:

- New high-grade intersect on Sixtymile project in the Easter Egg zone

## FLOW METALS CORP.

Management Discussion and Analysis

For the period ended January 31, 2021

### Project Summaries and Activities (continued)

- 12.81 g/t Au over 2.1m in DDH10-02 from 41.15 to 43.28m
- Data verification confirms widespread disseminated gold with local coarse gold

Sixty Mile is an orogenic gold prospect hosted within the Mesozoic Finlayson Group with similar geology to the Jurassic Golden Saddle Deposit in the White Gold District. 160 Quartz Claims total 3132 Ha and cover 5 km of prospective strike length. The so-called Thrust Fault Zone was tested by 8 DDH (2,578m) in 2010-2011 by Rackla Metals Inc., the last company to run an active exploration program.

Dan Meldrum, M.Sc. P.Geol, author of the Technical Report is the Qualified Person, in accordance with the NI 43-101 of the Canadian Securities Administrators, and is responsible for the technical content of this press release.

### Ashuanipi Gold (Quebec)

On February 21, 2020, the Company signed an option agreement with Windfall Geotek "Windfall", to acquire a 100% interest in 115 claims located in Quebec, Canada. The Ashuanipi property is located from 30 to 90 kilometers west and north-west of Schefferville, Quebec, and lies within the Ashuanipi Complex in the northeastern portion of the Superior Province. As consideration, the Company is required to make cash payments of \$120,000 over three years, Issue 2,100,000 common shares over three years, and have a strategic partnership with Windfall Geotek for \$60,000 and expend exploration expenditures of \$450,000.

### New Opportunities

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The Company continues to evaluate mineral properties and is focused on deposits in Canada with economic merit and good logistics will be considered for acquisition.

### Results of Operations

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#### Results of Operations – For the six-months ended January 31, 2021

For the six-month period ended January 31, 2021, the Company incurred a net loss of \$440,824 (2020 - \$58,044) including exploration expenses of \$258,347 (2020 - \$18,605).

Significant expenses include:

- Exploration expenses of \$258,347 (2020 - \$18,605) on the New Brenda and Sixty Mile properties.
- Audit and accounting fees of \$16,848 (2020 - \$6,436) Increased to maintain good standing.
- Consulting fees of \$14,008 (2020 - \$5,499) increased to reflect increased activity.
- General and administrative fees of \$12,169 (2020 - \$8,169) as expenses increased as activities increased.
- Transfer agent and filing fees of \$14,187 (2020 - \$8,543) increased with the additional expenses of financing.
- Travel of \$Nil (2020 - \$6,811) mainly related to general administrative activities.

As indicated above, many of the increased expenses had to do with the increased activity to support increased exploration of the mineral interests, including provision of financing.

### Summary of Quarterly Results:

<u>2021/2020 Quarterly Results:</u>	<u>2<sup>nd</sup> Quarter</u>	<u>1<sup>st</sup> Quarter</u>	<u>4<sup>th</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>
Revenue	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	(110,716)	(330,108)	(65,280)	(45,386)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	1,767,169	1,340,622	657,602	578,386
Working capital	583,576	656,028	153,445	58,506

**FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

**Summary of Quarterly Results:** (continued)

<b>2020/2019 Quarterly Results:</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>
Revenue	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	(22,537)	(35,507)	(48,159)	(16,333)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	450,451	470,853	472,862	392,903
Working capital	13,892	36,429	41,936	95

The Company was incorporated on July 11, 2018.

The increased loss of \$110,716 during the second quarter of 2021 compared to the loss of \$22,537 during the second quarter of 2020 is attributable to increased administrative expenses and increased mineral exploration expenses during the second quarter of 2021.

The increased loss of \$330,108 during the first quarter of 2021 compared to the loss of \$35,507 during the first quarter of 2020 is attributable to increased mineral exploration expenses of \$237,636 during the first quarter of 2021 compared to the \$18,605 mineral exploration expenses during the first quarter of 2020. The increased assets of \$1,340,622 during the first quarter of 2021 compared to \$470,853 during the first quarter of 2020 is mainly attributable to the successful raising of capital through financing activities where net cash of \$814,750 were raised during the first quarter of 2021.

During the fourth quarter of 2020, the Company obtained \$63,537 gain on debt settlement. However, the Company show an increase in losses, as discussed above, including the increase in exploration and expenses, share transactions in obtaining and maintaining the mineral interests in good standing, as well as the financing that closed provided additional working capital compared to the fourth quarter of 2019.

The Company shows increased losses during the third and first quarter of 2020 and the fourth quarter of 2019 due to exploration activity of \$9,047 for the three-months ending April 30, 2020, and \$18,605 for the three-months ending October 31, 2019 and \$30,562 for the three-months ending October 31, 2019.

During the third quarter of 2020 and fourth quarter of 2019, the Company shows an increase in working capital as share subscriptions were received and or shares were issued through private placement unit offerings. On May 6, 2020, the Company closed a non-brokered private placement of 3,700,000 units issued at a price of \$0.05 per unit for gross proceeds of \$185,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.10 per common share until May 6, 2022. On June 12, 2019, the Company closed a non-brokered private placement of 4,000,000 units issued at a price of \$0.05 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.10 per common share until June 12, 2021.

During the third quarter of 2020, the Company issued 1,000,000 common shares valued at \$50,000 related to the acquisition of the various mineral interests, increasing the total asset value of the Company.

## FLOW METALS CORP.

Management Discussion and Analysis

For the period ended January 31, 2021

### Liquidity and Solvency

The following table summarizes the Company's cash on hand, working capital and cash flow:

<b>As at</b>	<b>January 31, 2021</b>		<b>July 31, 2020</b>	
Cash	\$	582,889	\$	192,841
Working capital		583,576		153,445

  

<b>Period Ended</b>	<b>January 31, 2021</b>		<b>January 31, 2020</b>	
Cash (used in) provided by operating activities	\$	(415,676)	\$	(52,205)
Cash used in investing activities		(9,026)		-
Cash provided by financing activities		814,750		30,000
Change in cash	\$	390,048	\$	(22,205)

The Company is dependent on the sale of treasury shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

### Capital Resources

The Company has no operations that generate cash flow and its long-term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets is resource properties. Exploration expenditures are expensed as incurred.

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

At January 31, 2021 the Company had cash of \$582,889 (July 31, 2020 - \$192,841) available to pay Liabilities of \$39,210 (July 31, 2020 - \$49,907).

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

### Outstanding Share Data

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The Company has an authorized share capital of an unlimited number of common shares.

As at the date of this report, 31,698,123 common shares were issued and outstanding. In addition, the Company has 17,895,808 share purchase warrants exercisable at \$0.10 to \$0.15 per common share until June 12, 2021 to August 26, 2023 and 1,400,000 stock options exercisable at \$0.10 until January 20, 2022 to October 13, 2022.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Outstanding Share Data** (continued)

On September 10, 2018, the B.C. Supreme Court approved the Arrangement effective for September 17, 2018 (the "Effective Date"). Under the terms of the Arrangement, Flow Metals issued 9,767,234 common shares to Go Metals based on one Company common share being issued for every six issued and outstanding common shares of Go Metals as of the Effective Date.

On November 8, 2018, the Company issued 158,331 common shares at a deemed value of \$0.03 per common share to shareholders of Go Metals upon exercise of Go Metals' stock options and warrants, pursuant to the Arrangement.

The Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling \$24,000. The disinterested directors of the Company have approved the settlement agreements with each of the Insiders. Pursuant to the settlement agreements. On December 21, 2020 the Company issued an aggregate of 400,000 Common shares to the Insiders at a deemed price of \$0.06 per common share.

### **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet transactions.

### **Related Party Transactions**

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#### **Directors and officers**

The Directors and Executive Officers of the Company are as follows:

Scott Sheldon	-	Director, President and CEO
Robert Murray	-	Director and CFO
Donald Sheldon	-	Director
Adrian Smith	-	Director
Jacob Verbaas	-	Vice President Exploration as consultant, not as officer Resigned as officer February 1, 2021 Chief Operating Officer – until February 1, 2021
Michael Woods	-	Secretary
Go Metals Corp.	-	Management and directors in common

During the three-month period ended January 31, 2021, the Company paid/accrued management fees of \$42,000 (2020 - \$Nil) to a company controlled by the Chief Executive Officer and director of the Company and \$18,000 (2020 - \$Nil) to the Chief Operating Officer of the Company. The Company paid \$26,500 (2020 - \$Nil) in geological consulting fees to a company controlled by an officer of the Company.

During the six months period ending January 31 2021 the Company issued 600,000 stock options to directors and officers with a fair value of \$18,285.

During the six months ended January 31, 2021, the Company paid legal fees of \$NIL (2020 - \$4,116) to a company controlled by a director of the Company.

As at January 31, 2021, the Company had an amount owing of \$17,500 (July 31, 2020 - \$6,000) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at January 31, 2021, the Company had an amount owing of \$11,850 (July 31, 2020 - \$Nil) to a company controlled by an Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Related Party Transactions (continued)**

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As at January 31, 2021, the Company had an amount receivable of \$7,647 (July 31, 2020 – amount payable of \$11,298) to Go Metals, a company with common management and directors. This amount is non-interest bearing, unsecured and repayable on demand.

The Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling \$24,000. The disinterested directors of the Company have approved the settlement agreements with each of the Insiders. On December 21, 2020 pursuant to the settlement agreements, the Company issued an aggregate of 400,000 Common shares to the Insiders at a deemed price of \$0.06 per common share.

A total of \$52,000 of debt owing to the Chief Executive Officer and Chief Operating Officer the Company for management and geological consulting fees was settled during the year ended July 31, 2020 for 520,000 common shares of the Company with a fair value of \$26,000 for a gain on settlement of debt of \$26,000.

### **Proposed Transactions**

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There are no proposed transactions that will materially affect the performance of the Company.

### **Accounting Policies**

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The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

#### **Critical Accounting Estimates**

The Company prepares its financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial statements. The Company's significant accounting policies are discussed in the financial statements. Critical estimates in these accounting policies are discussed below.

#### **Fair value estimates of shares**

The fair value of shares issued is estimated based on cash consideration received. If shares are issued for proceeds other than cash, the shares are valued at the fair market value of goods/services received.

#### **Fair value estimates of equity instruments**

The fair value of each stock option granted is estimated at the grant date using the Black-Scholes option pricing model. The estimated life of the stock options and conversion at grant date is based on the expected life of the options and assumptions about the expected exercise pattern. Expected volatility of stock options is estimated based on the volatility of companies comparable in size and operations to the Company.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Accounting Policies** (continued)

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#### Recoverable value of asset carrying values

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability is subject to significant management estimates and judgments. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

#### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

#### IFRS 16 - Leases

The Company adopted IFRS 16. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company does not have any leases prior to January 1, 2019, and as a result, this standard had no impact on the Company's financial statements on the day of adoption.

As a result of adopting IFRS 16, the Company updated its lease accounting policies as follows:

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease



## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Accounting Policies** (continued)

#### IFRS 16 – Leases (continued)

term and the useful life of the underlying asset. The depreciation is recognized from the commencement date of the lease.

#### Changes in Accounting Standards

Other 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

### **Financial Instruments**

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#### **Designation and Valuation of Financial Instruments**

The Company's financial instruments consist of accounts payable and due to related parties. Accounts payable and due to related parties are classified as other financial liabilities, and recorded at amortized cost using the effective interest rate method. The Company does not hold any derivative financial instruments.

As at January 31, 2021, the fair values of accounts payable and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

#### **Risks**

##### Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

##### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

##### Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does not believe it is currently subject to any significant interest rate risk.

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Risks (continued)**

#### Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to any significant price risk.

### **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

### **Financial and Disclosure Controls and Procedures**

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During the six-month periods ended January 31, 2021, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's condensed interim financial statements of the Company for the six months period ended January 31, 2021.

## **FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

### **Financial and Disclosure Controls and Procedures (continued)**

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim and Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

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. 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.

### **Other**

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Additional information relating to the Company's operations and activities can be found by visiting the [www.sedar.com](http://www.sedar.com).

### **Trends**

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Trends in the industry can materially affect how well any junior exploration company is performing and by the capital markets which have made the raising of finance difficult. Under the current economic conditions, the Company is advancing its property as quickly as possible while still remaining prudent when considering large cost items such as drilling and geophysics.

At this early stage it is unsure to predict the outcome of the worldwide pandemic outbreak of Corvid 19 virus and what risks the virus and newly laws to be announced might hold.

### **Novel coronavirus (Covid-19)**

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Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

### **Outlook**

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The outlook for precious metals is good. The capital markets are prospect for financing the Company's are challenging but management believes the Company will continue as a viable entity. The Property will require significant investment as it transitions into development stage projects.

**FLOW METALS CORP.**

Management Discussion and Analysis

For the period ended January 31, 2021

**Cautionary Statement**

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.