

# **FLOW METALS CORP.**

Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 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	April 30, 2021 \$	July 31, 2020 (Audited) \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (note 10)	497,722	192,841
Receivables	26,905	8,672
Prepaid expenses and deposits	23,884	1,839
<b>Total Current Assets</b>	<b>548,511</b>	<b>203,352</b>
Mineral properties (Note 5)	578,689	454,250
Right-of-use asset (Note 6)	12,000	-
<b>Total Assets</b>	<b>1,139,200</b>	<b>657,602</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	16,131	8,509
Due to related parties (Note 9)	55,040	41,398
Current portion of lease liabilities (Note 8)	2,148	-
<b>Total Current Liabilities</b>	<b>73,319</b>	<b>49,907</b>
<b>Long Term-Liabilities</b>		
Long term portion of lease liabilities (Note 8)	10,289	-
<b>Total Long-Term Liabilities</b>	<b>10,289</b>	<b>49,907</b>
<b>Total Liabilities</b>	<b>83,608</b>	<b>49,907</b>
<b>Shareholders' Equity</b>		
Share capital (Note 7)	1,761,216	872,788
Reserves	83,341	1,681
Deficit	(788,965)	(266,774)
<b>Equity</b>	<b>1,055,592</b>	<b>607,695</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,139,200</b>	<b>657,602</b>

Approved by the Board of Directors on June 22, 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 nine months ended April 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	April 30,	April 30,	April 30,	April 30,
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Exploration Expenses</b> (Notes 5 and 9)	32,723	9,047	291,070	27,652
<b>Administrative Expenses</b>				
Audit and accounting fees	7,500	20,000	24,348	26,436
Accretion	518	-	1,112	-
Consulting fees	6,000	-	20,008	5,499
Depreciation	2,250	-	4,500	-
General and administrative	3,642	13,520	15,811	21,689
Legal	-	2,297	-	6,413
Marketing	1,417	-	20,540	-
Management fees (Note 9)	24,000	-	84,000	-
Stock-based compensation	-	-	43,338	-
Transfer agent and filing fees	3,337	590	17,524	9,133
Travel	-	-	-	6,811
<b>Total administration expenses</b>	(48,664)	(36,407)	(231,181)	(75,981)
<b>Other Income</b>				
Interest income	20	68	60	203
<b>Net loss and comprehensive loss</b>	(81,367)	(45,366)	(522,191)	(103,430)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.02)	(0.01)
Weighted average shares outstanding	31,863,340	14,695,565	30,488,500	14,379,946

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**FLOW METALS CORP.**

Condensed Interim Statements of Changes in Equity

For the Nine months ended April 30, 2021 and 2020

(Unaudited)

(Expressed in Canadian dollars)

	<b>Share Capital</b>		<b>Share</b>	<b>Share</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
	<b>Common</b>	<b>Amount</b>	<b>subscriptions</b>	<b>subscriptions</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>Shares</b>	<b>\$</b>	<b>received in</b>	<b>receivable</b>			
	<b>#</b>		<b>advance</b>	<b>\$</b>			
			<b>\$</b>				
Balance, at July 31, 2019	14,255,565	545,750	-	(30,000)	-	(98,064)	417,686
Share subscription received	-	-	-	30,000	-	-	30,000
Shares issued for mineral property	1,000,000	50,000	-	-	-	-	50,000
Share subscriptions received in advance	-	-	90,000	-	-	-	90,000
Net loss for the period	-	-	-	-	-	(103,430)	(103,430)
Balance, at April 30, 2020	15,225,565	595,750	90,000	-	-	(201,430)	484,256
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	-	-	-	-	-	(522,191)	(522,191)
Balance, at April 30, 2021	31,698,123	1,761,216	-	-	83,341	(788,965)	1,055,592

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

**FLOW METALS CORP.**

Condensed Interim Statements of Cash Flows  
For the nine months ended April 30, 2021 and 2020  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>Nine months ended</b>	
	<b>April 30, 2021</b>	<b>April 30, 2020</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss for the period	(522,191)	(103,430)
Items not involving cash:		
Accretion	1,112	-
Depreciation	4,500	-
Stock based compensation	43,338	-
Changes in non-cash operating working capital:		
Receivables	(18,233)	(1,424)
Prepaid expenses	(22,045)	(9,524)
Accounts payable and accrued liabilities	7,622	39,250
Due to related parties	37,642	(296)
Cash used in operating activities	(468,255)	(75,424)
<b>Investing activity</b>		
Lease payments made	(5,175)	-
Exploration and evaluation asset	(36,439)	-
Cash received used in investing activity	(41,614)	-
<b>Financing activities</b>		
Net proceeds from issuance of shares	814,750	-
Share subscriptions received	-	30,000
Share subscriptions received in advance	-	90,000
Cash received from financing activities	814,750	120,000
Increase in cash and cash equivalents	304,881	44,576
Cash and cash equivalents, beginning of period	192,841	94,563
Cash and cash equivalents, end of period	497,722	139,139
Cash	487,722	129,139
Cash equivalents	10,000	10,000
	497,722	139,139
<b>Supplemental information</b>		
Shares issued for mineral property	88,000	50,000
Shares issued for debt	24,000	-
Warrants issued for finders' fee	38,322	-

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## **FLOW METALS CORP.**

Notes to the condensed interim Financial Statements  
For the nine months ended April 30, 2021 and 2020  
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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 April 30, 2021, the Company has not generated any revenues from operations and has an accumulated deficit of \$788,965 (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").

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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.



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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 April 30, 2021 and July 31, 2020.

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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.

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### 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	-	63,000	124,439
<b>Balance at April 30, 2021</b>	<b>\$ 91,439</b>	<b>\$ 334,250</b>	<b>\$ 153,000</b>	<b>\$ 578,689</b>

During the nine months ended April 30, 2021, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	New Brenda	Sixty Mile	Total
Assay / analytical	\$ 30,000	\$ 49,807	\$ 79,807
Drilling	-	113,720	113,720
General administrative	-	6,843	6,843
Field work	3,975	43,626	47,601
Geological (Note 9)	-	76,899	76,889
Transportation / travel	506	5,704	6,210
Recovery of expenses	-	(40,000)	(40,000)
<b>Total mineral property expenditures</b>	<b>\$ 34,481</b>	<b>\$ 256,589</b>	<b>\$ 291,070</b>

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### 5. Mineral Properties (continued)

During the nine months ended April 30, 2020, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	New Brenda	Sixty Mile	Total
Assay	\$ 5,008	\$ 1,349	\$ 6,357
Field work	-	5,200	5,200
Geological	21,848	3,711	25,559
Transportation / travel	536	-	536
Recovery of expenses	-	(10,000)	(10,000)
<b>Total mineral property expenditures</b>	<b>\$ 27,392</b>	<b>\$ 260</b>	<b>\$ 27,652</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 nine-month period ended April 30, 2021 the company staked 47 contiguous claims additionally

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### **5. Mineral Properties (continued)**

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

On May 05, 2021 the Company entered an agreement with Go Metals whereby Go metals Corp can earn in on the Ashuanipi project up to 80% through the funding of exploration as follows:

- \$200,000 exploration dollars by December 1, 2021 will earn 40%;
- \$200,000 exploration dollars by December 1, 2021 will earn an additional 20%
- The Company has the option to create a Joint Venture or
- Go Metals may spend an additional \$400,000 by December 1, 2023 to earn a final 20% interest.

The transaction is a related party transaction.

Windfall Geotek Inc. has retained a 2% Net Smelter Return.

#### *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 (paid) 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

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### 5. Mineral Properties (continued)

*Sixty Mile Property, Yukon Territory, Canada (continued)*

- 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 nine-month period ended April 30, 2021 the company staked 120 contiguous claims additionally.

### 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%.

	April 30, 2021	July 31, 2020
Additions	16,500	-
Depreciation	(4,500)	-
Ending balance	12,000	-

### 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 nine-month period ending April 30, 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).

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### **7. Share Capital (continued)**

#### (b) Issued and Outstanding (continued)

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.

#### (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).

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### 7. Share Capital (continued)

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

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

	Nine-month period ended April 30, 2021		Year ended July 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	7,700,000	\$ 0.08	4,000,000	\$ 0.10
Issued	10,195,808	\$ 0.15	3,700,000	0.10
Ending	17,895,808		7,700,000	

As at April 30, 2021, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
4,000,000*	\$0.07	June 12, 2023
3,700,000	\$0.10	May 6, 2022
10,195,808	\$0.15	August 26, 2023
17,895,808		

\*The Company reduced the exercise price of 4,000,000 warrants from \$0.10 to \$0.07 and extended the expiry date from June 12, 2021 to June 12, 2023.

(c) 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.

	Nine months period ended April 30, 2021		Year ended July 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	500,000	\$ 0.11	-	\$ -
Granted	1,400,000	\$ 0.10	500,000	0.11
Expired	(500,000)	\$ 0.11	-	-
Ending	1,400,000	\$ 0.10	500,000	\$ 0.11



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### 7. Share Capital (continued)

#### (c) Stock Options (continued)

As at April 30, 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
1,400,000		

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	-	-

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 April 30, 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 April 30, 2021:

	\$
Balance, October 31, 2020	-
Lease additions (Note 4)	16,500
Lease payments	(5,175)
Accretion on lease liability	1,112
Balance April 30, 2021	12,437
Current portion	2,148
Long term portion	-
	10,289

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### **9. Related Party Transactions**

During the nine-month period ended April 30, 2021, the Company accrued management fees of \$66,000 (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 \$30,202 (2020 - \$19,048) in geological consulting fees to a company controlled by an officer of the Company.

During the nine months period ending April 30 2021 the Company issued 600,000 stock options to directors and officers with a fair value of \$18,285.

During the nine months ended April 30, 2021, the Company paid legal fees of \$6,413 (2020 - \$4,116) to a company controlled by a director of the Company.

As at April 30, 2021, the Company had an amount owing of \$42,200 (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 April 30, 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.

As at April 30, 2021, the Company had an amount payable of \$890 (July 31, 2020 - \$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)

On May 05, 2021 the Company entered an agreement with Go Metals whereby Go metals Corp can earn in on the Ashuanipi project up to 80% through the funding of exploration as follows:

- \$200,000 exploration dollars by December 1, 2021 will earn 40%;
- \$200,000 exploration dollars by December 1, 2021 will earn an additional 20%
- The Company has the option to create a Joint Venture or
- Go Metals may spend an additional \$400,000 by December 1, 2023 to earn a final 20% interest.

The transaction is a related party transaction.

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### 10. Financial Instruments

#### (a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	April 30, 2021 \$	July 31, 2020 \$
Financial assets, measured at amortized cost:		
Cash and cash equivalents	497,722	192,841
	497,722	192,841
Financial liabilities, measured at amortized cost:		
Accounts payable	16,131	8,509
Due to related parties	55,040	41,398
Lease liabilities	12,437	-
	83,608	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.

As at April 30, 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 April 30, 2021.

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### **10. Financial Instruments (continued)**

#### (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 April 30, 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 April 30, 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.

### **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.

## **FLOW METALS CORP.**

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### **11. Capital Management** (continued)

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 April 30, 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.