

# FLOW METALS CORP.

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## FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF NOVEMBER 24, 2021 TO ACCOMPANY THE FINANCIAL STATEMENTS OF FLOW METALS CORP. (THE “COMPANY” OR “FLOW METALS”) FOR THE YEAR ENDED JULY 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 year ended July 31, 2021, compared to the year ended July 31, 2020. This report prepared as at November 24, 2021 intends to complement and supplement our annual audited financial statements as at July 31, 2021 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and should be read in conjunction with the financial statements and the accompanying notes for the year ended July 31, 2021, (the “financial statements”).

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 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

## **FLOW METALS CORP.**

### **Management Discussion and Analysis**

For the year ended July 31, 2021

incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. 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 year ended July 31, 2021, the Company incurred exploration expenses of \$497,871, which includes \$462,490 spent on the Sixty Mile property and \$34,481 spent on the New Brenda property. The Company recovered \$40,000 in expenses relating to the Yukon Mineral Exploration Tax Credit. In addition, general and administrative expenses of \$296,333 consisted of general maintenance activity of the Company. See results of operations for more detail.

On October 22, 2021, the Company provided an update on the Yukon Sixtymile gold project 2021 RAB drill program. The program targeted 3 gold zones: Easter Egg, Miller Creek and Glacier Creek.

- The Easter Egg zone drilling followed up on four historical diamond drill holes done in 2010 to 2011. The follow up drilling from June 2021 confirmed 2 horizons of gold mineralization at the Easter Egg target while remaining open in all directions and at depth. The eastern mineralized horizon has a true thickness of roughly 50 to 60m wide whereas the western horizon has never been fully penetrated. These are good intercepts near surface and in close proximity to Miller Creek, an active placer mine with a storied history dating back over 100 years.
- The results from of the drilling of Glacier Creek missed significant mineralization.
- The RAB drill was not able to reach definitive bedrock and ended up drilling through soil and regolith. Multiple Gold hits of up to 2.7g/t over 1.5m were intersected but cannot be definitively attributed to bedrock mineralization at this time. An RC drill is needed to case below the 15m of over burden. This target remains untested and a priority for next season.
- The combined RAB and historic diamond drilling data now reveal that the gold horizons dip to the west. Understanding the orientation of these mineralized veins sets the stage for an expanded follow-up program in 2022.

On July 5, 2021, the Company announced a mutual data sharing agreement with Gold Mountain Mining Corp. for the New Brenda and neighboring Elk Gold project. The Company has further engaged Go Metals Corp. ("Go Metals") to integrate the shared data and create enhanced models for identifying gold mineralization. The search algorithms will use training data from a proven deposit to locate prospective areas on both properties.

On May 19, 2021, the Company announced preparations for a drill program at the Sixtymile Project. The company completed a 15-hole RAB drill program that started June 22 with Dawson City based GroundTruth Exploration. The drill campaign focused on three targets: Upper Glacier Creek, Easter Egg, and Miller Creek.

## **FLOW METALS CORP.**

### Management Discussion and Analysis

For the year ended July 31, 2021

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

On May 5, 2021, the Company entered an agreement with Go Metals whereby Go Metals can earn in on the Ashuanipi property for up to 80% through the funding of exploration as follows:

- \$200,000 spent on exploration by December 1, 2021 for Go Metals to earn 40%;
- \$200,000 spent on exploration by December 1, 2022 for Go Metals to earn an additional 20%;
- Following the exploration expenditures from Go Metals of \$400,000, 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 an additional 20% interest.

The transaction is a related party transaction as the Company and Go Metals share common management and directors. Additionally, Windfall Geotek Inc. has retained a 2% net smelter return on the Ashuanipi property

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 price of \$0.06 per common share (fair value of \$24,000).

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 141 contiguous claims staked in the Yukon and 58 contiguous claims staked in Quebec, connecting separate claim blocks on the Ashuanipi property. Additionally, Thanos Belivanakis joined 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 Brenda property in British Columbia, Canada.

## **FLOW METALS CORP.**

### Management Discussion and Analysis

For the year ended July 31, 2021

#### **Overall performance (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. 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 issued at a fair value of \$0.11 per share for a total fair value of \$23,653.

On August 25, 2020, the Company issued 500,000 common shares pursuant to the mineral property acquisition option agreement of the Ashuanipi property, 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, at a fair value of \$0.11 per share for a total fair value of \$33,000.

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 January 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 9, 2020, the Company issued 70,000 common shares for a total fair value of \$3,500 pursuant to the acquisition of the Old Gorilla mineral claims expanding the New Brenda project.

On May 6, 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 share purchase warrant. Each warrant is exercisable to purchase one additional share at a price of \$0.10 per common share until May 6, 2022.

On May 6, 2020, the Company issued 1,270,750 common shares at a fair value of \$0.05 per share to settle debt of \$127,075. 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 common 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 common shares fair valued at \$15,000 pursuant to the acquisition of the Sixty Mile Project.

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

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.

## FLOW METALS CORP.

### Management Discussion and Analysis

For the year ended July 31, 2021

#### Overall performance (continued)

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 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.

#### Selected Annual Information

The Company is a junior mineral exploration company focused on copper and gold exploration projects in Canada. Its primary focus in exploration this year was on its Sixty Mile property located in the Yukon.

Year Ended	July 31, 2021	July 31, 2020	July 31, 2019
<b>Financial Results:</b>			
Exploration expenses	\$ 497,871	\$ 57,761	\$ 30,562
Net loss for the year/period	(794,146)	(168,710)	(92,383)
Basic and diluted loss per share	(0.03)	(0.01)	(0.01)
<b>Balance Sheet Data:</b>			
Cash	\$ 423,827	\$ 192,841	\$ 94,563
Total assets	1,065,003	657,602	472,862
Accounts payable and accrued liabilities	191,266	8,509	37,582
Due to related parties	81,740	41,398	17,594
Lease Liabilities	10,290	-	-
Shareholders' equity	\$ 781,707	\$ 607,695	\$ 417,686
<b>Cash Flow Data:</b>			
Increase in cash for the year	\$ 230,986	\$ 98,278	\$ 94,563

The Company did not have any sales, discontinued operations, extraordinary items, and cash dividends during the years mentioned above to July 31, 2021.

## **FLOW METALS CORP.**

### Management Discussion and Analysis

For the year ended July 31, 2021

#### **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".

The Company is a junior mineral exploration company focused on gold exploration projects in Canada.

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.

#### **Cash flow analysis**

##### *Operating Activities*

During the year ended July 31, 2021, cash used in operating activities was \$538,868 (2020 - \$116,722) for activities as described above.

##### *Investing activities*

During the year ended July 31, 2021, the company spent \$44,896 in cash payments on investing activities, consisting of \$30,000 on option payments and \$7,134 on the mineral interests by staking and \$7,762 on lease payments. During the comparative year ended July 31, 2020, there were no cash used in investing activities.

##### *Financing activities*

During the year ended July 31, 2021, the Company received \$814,750 net proceeds from financing activities, by issuing shares and in 2020 received \$185,000 and \$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.

##### **Project Summaries and Activities (continued)**

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. The large target (600m X 500m) remains open to the south.

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### Management Discussion and Analysis

For the year ended July 31, 2021

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 common shares at a fair value of \$3,500.

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

The Technical Report was authored by Rory Ritchie, P.Geo. and co-authored by Jaap Verbaas, Qualified Persons in accordance with the NI 43-101 of the Canadian Securities Administrators.

#### **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
- 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 to 2011 by Rackla Metals Inc., the last company to run an active exploration program.

#### **Ashuanipi Gold Property (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.

On May 5, 2021 the Company entered an agreement with Go Metals whereby Go Metals can earn in on the Ashuanipi property for up to 80% through the funding of exploration as follows:

- \$200,000 spent on exploration by December 1, 2021 for Go Metals to earn 40%;
- \$200,000 spent on exploration by December 1, 2022 for Go Metals to earn an additional 20%;
- Following the exploration expenditures from Go Metals of \$400,000, 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 an additional 20% interest.

The transaction is a related party transaction as the Company and Go Metals share common management and directors. Additionally, Windfall Geotek Inc. has retained a 2% net smelter return on the Ashuanipi property.

The project contains numerous Al targets over banded iron formations. The targets were generated by Windfall Geotek after a 330,000 km Al mining study of eastern Quebec. The project is northeast of Schefferville in the Ashuanipi complex, on the edge of the Superior Province.

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Management Discussion and Analysis  
For the year ended July 31, 2021

**New Opportunities**

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 year ended July 31, 2021**

For the year ended July 31, 2021, the Company incurred a net loss of \$794,146 (2020 - \$168,710) including exploration expenses of \$497,871 (2020 - \$57,761) after a recovery of \$40,000 (2020 - \$10,000) relating to a mineral exploration tax credit. Exploration expenses recorded during the three months ended July 31, 2021 were \$44,137 compared to the three months period ended July 31, 2020 of \$30,109 and administration expenses decreased from \$98,625 to \$65,152 in the last quarter.

Significant expenses include:

- Exploration expenses of \$496,971 (2020 - \$57,761) on the New Brenda and Sixty Mile properties.
- Audit and accounting fees of \$42,848 (2020 - \$34,716). Audit and accounting fees increased to maintain reporting in good standing.
- Management fees increase to \$109,000 (2020 – 41,000 as an incentive to management).
- Consulting fees of \$26,408 (2020 - \$34,238). Consulting fees decreased as the Company made less use of consultants.
- General and administrative fees of \$19,116 (2020 - \$2,178) spending expenses increased due to increased activity
- Stock based expenses increased to \$41,408 (2020 – 1,681) to directors, officers and consultants as an incentive to improve performance.
- Transfer agent and filing fees of \$20,252 (2020 - \$31,768) decreased as a result of less filing fees for the Company's various press releases, financial statements and miscellaneous transfer agent fees.
- Travel of \$Nil (2020 - \$6,810) 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.

**Summary of Quarterly Results:**

<b>2021 Quarterly Results:</b>	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>
Revenue	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	(271,955)	(81,367)	(110,716)	(330,108)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.02)
Total assets	1,065,003	1,139,200	1,767,169	1,340,622
Working capital	193,425	475,192	583,576	656,028
<b>2020 Quarterly Results:</b>	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>
Revenue	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	(65,280)	(45,386)	(22,537)	(35,507)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	657,602	578,386	450,451	470,853
Working capital	153,445	58,506	13,892	36,429

The increased loss of \$271,955 during the fourth quarter of 2021 compared to the loss of \$65,280 during the third quarter of 2020 is mainly attributable to increased mineral exploration expenses during the fourth quarter of 2021 mainly due to increased exploration activities on the Company's Sixty Mile property.

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### Management Discussion and Analysis

For the year ended July 31, 2021

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

The increased loss of \$81,367 during the third quarter of 2021 compared to the loss of \$45,386 during the third quarter of 2020 is attributable to increased administrative expenses and increased mineral exploration expenses during the third quarter of 2021 due to increased exploration activities.

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.

#### Liquidity and Solvency

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

<b>As at</b>	<b>July 31, 2021</b>		<b>July 31, 2020</b>	
Cash	\$	423,827	\$	192,841
Working capital		193,425		153,445

  

<b>Year Ended</b>	<b>July 31, 2021</b>		<b>July 31, 2020</b>	
Cash (used in) provided by operating activities	\$	(538,868)	\$	(116,722)
Cash used in investing activities		(44,896)		-
Cash provided by financing activities		814,750		215,000
Change in cash	\$	230,986	\$	98,278

The Company is dependent on the sale of 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 are 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 July 31, 2021, the Company had cash of \$423,827 (2020 - \$192,841) available to pay total liabilities of \$283,296 (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,

## **FLOW METALS CORP.**

### Management Discussion and Analysis

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#### **Capital Resources (Continued)**

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 \$0.07 to \$0.15 per common share expiring from May 6, 2022 to August 26, 2023 and 1,400,000 stock options exercisable at \$0.10 until January 20, 2022 to October 13, 2022. 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.

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. On December 21, 2020, pursuant to the settlement agreements, the Company issued an aggregate of 400,000 common shares to the insiders at a price of \$0.06 per common share (fair value of \$24,000).

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

The Company does not utilize off-balance sheet transactions.

#### **Related Party Transactions**

##### **Directors and officers**

The Directors, Executive Officers, and related companies 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
Surgenia Productions	-	Company owned by Scott Sheldon (Director, President and CEO)
Hicest Media Ltd	-	Company owned by Jacob Verbaas (Former Chief Operating Officer)
Divitiae Resources Ltd	-	Company owned by Adrian Smith (Director)
Woods & Company	-	Company owned by Michael Woods (Secretary)

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**Related Party Transactions** (continued)

During the years ended July 31, 2021 and 2020, the Company incurred the following related party transactions.

		Year ended July 31, 2021	Year ended July 31, 2020
Surgenia Productions	Management fees	\$ 91,000	\$ 41,000
Hicest Media Ltd	Management fees	18,000	-
	Total management fees	<u>109,000</u>	<u>41,000</u>
Hicest Media Ltd	Geological consulting fees	36,802	46,000
Woods & Company	Legal fees	6,709	22,215
Scott Sheldon	Stock-based compensation	3,048	-
Donald Sheldon	Stock-based compensation	3,048	-
Adrian Smith	Stock-based compensation	3,048	-
Michael Woods	Stock-based compensation	3,047	-
Robert Murray	Stock-based compensation	3,047	-
Jacob Verbaas	Stock-based compensation	3,047	-
	Total stock-based compensation	<u>\$ 18,285</u>	<u>-</u>

As at July 31, 2021 and 2020, the Company has the following payables and receivables.

		July 31, 2021	July 31, 2020
Surgenia Productions	Accounts payable	\$ 68,900	\$ 17,050
Surgenia Productions	Loan payable	\$ 100	\$ 6,000
Hicest Media Ltd	Accounts payable	\$ 11,850	\$ 7,050
Go Metals Corp.	Accounts payable	\$ 890	\$ 10,408

The loan payable amount is non-interest bearing, unsecured and repayable on demand.

The amount payable to Go Metals Corp. is non-interest bearing, unsecured and repayable on demand. Also refer to Note 8 of the financial statements for the year ended July 31, 2021

During the year ended July 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. On December 21, 2020, pursuant to the settlement agreements, the Company issued an aggregate of 400,000 Common shares to the insiders at a price of \$0.06 per common share.

During the year ended July 31, 2020, 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 for 520,000 common shares of the Company with a fair value of \$26,000 resulting in a gain on settlement of debt of \$26,000.

On May 5, 2021 the Company entered an agreement with Go Metals whereby Go Metals can earn in on the Ashuanipi property for up to 80% through the funding of exploration as follows:

- \$200,000 spent on exploration by December 1, 2021 for Go Metals to earn 40%;
- \$200,000 spent on exploration by December 1, 2022 for Go Metals to earn an additional 20%;
- Following the exploration expenditures from Go Metals of \$400,000, 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 an additional 20% interest.

In accordance with the agreement, the Company has the obligation to pay the cash portion of the option agreement from Flow Metals Corp. with Windfall Geotek. These payments are outlined below.

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**Related Party Transactions** (continued)

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 from the common shares of the Company being listed on the Canadian Securities Exchange (“CSE”)) – paid by Go Metals
- (ii) \$40,000 to be paid February 20, 2022; and
- (iii) \$50,000 to be paid February 20, 2023

**Fourth Quarter Results**

For the three-month period ended July 31, 2021, the Company incurred a net loss of \$271,955 (2020 - \$65,280).

	<b>Three months ended</b>	
	<b>July 31, 2021</b>	<b>July 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Exploration Expenses</b>	206,801	30,109
<b>Administrative Expenses</b>		
Accretion	440	-
Audit and accounting fees	18,500	8,280
Consulting fees	6,400	28,739
Depreciation	2,250	-
General and administrative	3,305	(19,511)
Legal	6,709	15,802
Management fees	25,000	41,000
Marketing	1,750	-
Stock-based compensation	(1,930)	1,681
Transfer agent and filing fees	2,728	22,634
<b>Total administration expenses</b>	<b>(65,152)</b>	<b>(98,625)</b>
<b>Other Income</b>		
Gain on settlement of debt	-	63,537
Interest income (expense)	(2)	(83)
<b>Net loss and comprehensive loss for the period</b>	<b>(271,955)</b>	<b>(65,280)</b>
Loss per share, basic and diluted	(0.01)	(0.00)
Weighted average shares outstanding	31,698,123	19,971,483

Significant expenses included:

- Management fees of \$25,000 compared to \$41,000 in the prior period.
- Legal fees of \$6,709 compared to \$15,802 in the prior period.
- Transfer agent and filing fees of \$2,728 compared to \$22,634 in the same period for the prior year.
- General and administration expenses decreased by \$19,511 in the prior period, as consulting fees recorded as general and administration fees in previous quarters were re-allocated to consulting fees.

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**Fourth Quarter Results** (continued)

These expenses mainly related to the Company's listing on the CSE, issuance of shares for mineral interests and the issuance of shares as a means of obtaining financing.

**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.

*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.

## **FLOW METALS CORP.**

### Management Discussion and Analysis

For the year ended July 31, 2021

#### **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.

##### 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

## **FLOW METALS CORP.**

### Management Discussion and Analysis

For the year ended July 31, 2021

## **Financial Instruments**

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

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, due to related parties and lease liabilities. Cash and cash equivalents are classified as financial assets, measured at amortized costs. Accounts payable and accrued liabilities, due to related parties and lease liabilities 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 July 31, 2021, the fair values of accounts payable and accrued liabilities, due to related parties and lease liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

### **Risks**

#### Foreign exchange risk

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

#### 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 July 31, 2021, the Company's credit risk is limited to the carrying amount on the statement of financial position arising from the Company's cash and cash equivalents.

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.

#### 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.

#### 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. Mainly all of the Company's current liabilities are due within 90 days of July 31, 2021 and lease liabilities of \$9,438 due within 12 months, and \$852 beyond 12 months.

#### 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.

## **FLOW METALS CORP.**

### Management Discussion and Analysis

For the year ended July 31, 2021

#### **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 year ended July 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 annual financial statements of the Company for the year ended July 31, 2021.

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.

**FLOW METALS CORP.**  
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**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 Covid 19 virus and what risks the virus and newly laws to be announced might hold. While the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business operation and financing condition

**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. As mentioned above, while the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business operation and financing condition.

**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 Properties will require significant investment as it transitions into development stage projects.

**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.