FLOW METALS CORP.

Financial Statements

For the Year Ended July 31, 2019 and

For the Period from July 11, 2018 to July 31, 2018

(Expressed in Canadian dollars)

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Adam Kim

ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Flow Metals Corp.

Opinion
I have audited the financial statements of Flow Metals Corp. (the "Company"), which comprise the statements of financial position as at July 31, 2019 and July 31, 2018, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the year ended July 31, 2019 and for the period from the date of incorporation on July 11, 2018 to July 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2019 and July 31, 2018, and its financial performance and its cash flow for the year ended July 31, 2019 and for the period from the date of incorporation on July 11, 2018 to July 31, 2018 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern
I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $92,383 during the period ended July 31, 2019 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $98,064 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I are required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
November 14, 2019

FLOW METALS CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

	July 31, 2019 $	July 31, 2018 $
Assets		
Current Assets		
Cash and cash equivalents	94,563	-
Receivables	2,549	-
	97,112	-
Mineral properties (Note 5)	375,750	-
	472,862	-
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank overdraft	-	1
Accounts payable and accrued liabilities	37,582	5,675
Due to related parties (Note 7)	17,594	-
	55,176	5,676
Shareholders' Equity		
Share capital (Note 6)	545,750	5
Share subscriptions receivable (Note 6 & 12)	(30,000)	-
Deficit	(98,064)	(5,681)
	417,686	(5,676)
	472,862	-

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 12)

Approved by the Board of Directors on November 14, 2019:

"Scott Sheldon" — Scott Sheldon, Director & CEO

"Donald Sheldon" — Donald Sheldon, Director

FLOW METALS CORP.
Statements of Loss and Comprehensive Loss
For the Year Ended July 31, 2019 and
For the Period from the Date of Incorporation on July 11, 2018 to July 31, 2018
(Expressed in Canadian dollars)

	Year Ended July 31, 2019 $	**Period Ended July 31, 2018 $**
Exploration Expenses (Note 5)	30,562	-
Administrative Expenses		
Audit and accounting fees	20,813	3,838
Consulting fees	12,750	1,837
General and administrative	1,920	6
Legal fees	1,750	-
Management fees (Note 7)	15,588	-
Transfer agent and filing fees	6,849	-
Travel	2,196	-
	(92,428)	(5,681)
Other Income		
Interest income	45	-
Net loss and comprehensive loss for the year	(92,383)	(5,681)
Loss per share, basic and diluted	(0.01)	(56.81)
Weighted average shares outstanding	9,141,303	100

(The accompanying notes are an integral part of these financial statements)

FLOW METALS CORP.
Statements of Changes in Equity
For the Year Ended July 31, 2019 and
For the Period from the Date of Incorporation on July 11, 2018 to July 31, 2018
(Expressed in Canadian dollars)

	Share Capital			
	Common Shares	**Amount $**	**Deficit $**	**Total $**
Balance, at July 11, 2018 (incorporation)	100	5	-	5
Net loss for the period	-	-	(5,681)	(5,681)
Balance, at July 31, 2018	100	5	(5,681)	(5,676)
Shares issued for Plan of Arrangement (Note 4)	9,767,234	326,000	-	326,000
Shares issued for private placement	4,000,000	200,000	-	200,000
Shares issued for mineral property	458,331	19,750	-	19,750
Shares cancelled	(100)	(5)	-	(5)
Share subscriptions receivable	-	(30,000)	-	(30,000)
Net loss for the year	-	-	(92,383)	(92,383)
Balance, at July 31, 2019	14,225,565	515,750	(98,064)	417,686

(The accompanying notes are an integral part of these financial statements)

FLOW METALS CORP.
Statements of Cash Flows
For the Year Ended July 31, 2019 and
For the Period from the Date of Incorporation on July 11, 2018 to July 31, 2018
(Expressed in Canadian dollars)

	Year Ended July 31, 2019 $	Period Ended July 31, 2018 $
Cash provided by (used in):		
Operating activities		
Net loss for the period	(92,383)	(5,681)
Changes in non-cash operating working capital:		
Receivables	(2,549)	-
Accounts payable and accrued liabilities	31,907	5,675
Due to related parties	17,594	-
	(45,431)	(6)
Investing activities		
Option payments made	(30,000)	-
	(30,000)	-
Financing activities		
Issue of shares	170,000	5
Cancellation of shares	(5)	-
Bank overdraft	(1)	1
	169,994	6
Increase in cash	94,563	-
Cash, beginning of year	-	-
Cash, end of year	94,563	-
Supplemental information		
Interest paid	-	-
Taxes paid	-	-
Significant non-cash financing and investing activities		
Shares issued for Plan of Arrangement	326,000	-
Shares issued for mineral properties	19,750	-

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

Flow Metals Corp. ("Flow Metals" or the "Company") was incorporated 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 would issue 9,767,234 common shares, equal to one common share of the Company for every six common shares of Go Metals outstanding, 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.

These 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 July 31, 2019, the Company has not generated any revenues from operations and has an accumulated deficit of $98,064. The Company expects to incur further losses in the development of its business, all of which casts 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 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.

2. Basis of Presentation

(a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance 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").

(b) Basis of Measurement

These 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.

2. Basis of Presentation (continued)

(c) 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 financial statements. These financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

3. Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash within three months.

(b) Mineral Properties

Recognition and Measurement

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees and advance royalty payments.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company may occasionally enter into option-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would otherwise be undertaken by the Company.

The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted as a gain on disposal.

3. Significant Accounting Policies (continued)

(c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(d) Income Taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

3. Significant Accounting Policies (continued)

(d) Income Taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

(e) Financial Instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

3. Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in income. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Debt instruments
Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of loss and comprehensive loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from deficit to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss and comprehensive loss.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

3. Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of loss and comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(f) Loss Per Share

Basic earnings or loss per share is computed by dividing the earnings or loss for the period by the weighted average number of common shares outstanding during the relevant period. The treasury stock method is used for the calculation of diluted earnings or loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. When a loss has been incurred, basic and diluted loss per share is the same because the exercise of options and warrants would be anti-dilutive.

(g) Comprehensive Income

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the balance sheet.

(h) Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

(i) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates

The preparation of 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 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.

The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

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

Determination of functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

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.

(k) New Accounting Standards

IFRS 9 *Financial Instruments* (“IFRS 9”) is part of the IASB's wider project to replace IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The adoption of IFRS 9 did not have a material impact on the Company’s financial statements.

On May 28, 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”). IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. The adoption of IFRS 15 did not have a material impact on the Company’s financial statements.

3. Significant Accounting Policies (continued)

(i) New Accounting Standards (continued)

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The following standard will be effective for annual periods beginning on or after January 1, 2019:

In June 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16"). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

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.

(Expressed in Canadian dollars)

5. Mineral Properties

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

	New Brenda	Sixty Mile	Total
Balance, at July 11, 2018 and 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

During the year ended July 31, 2019, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	New Brenda	Sixty Mile	Total
Field work	$ 10,267	$ 2,600	$ 12,867
General administration	1,715	980	2,695
Geological	13,050	-	13,050
Transportation / travel	1,950	-	1,950
Total mineral property expenditures	$ 26,982	$ 3,580	$ 30,562

During the period from the date of incorporation on July 11, 2018 to July 31, 2018, the Company did not incur any exploration expenditures.

New Brenda Property, British Columbia, Canada

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).

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 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 Canadian Securities Exchange;
c) $30,000 cash payment and 300,000 common shares of the Company on or before the one year anniversary of the agreement date;
d) $30,000 cash payment and 300,000 common shares of the Company on or before the second year anniversary of the agreement date; and
e) $30,000 cash payment and 300,000 common shares of the Company on or before the third year anniversary of the agreement date.

5. Mineral Properties (continued)

Sixty Mile Property, Yukon Territory, Canada (continued)

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.

6. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and Outstanding

On July 11, 2018, the Company issued 100 common shares at $0.05 per share to Go Metals and were subsequently returned and cancelled pursuant to the terms of the Arrangement (Note 4).

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 (Note 4).

On November 8, 2018, the Company issued 158,331 common shares valued at $4,750 related to the acquisition of the New Brenda Property (Note 5).

On June 12, 2019, the Company closed a non-brokered private placement of 4,000,000 units issued at a price of $0.05 per unit for gross proceeds of $200,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of $0.10 per common share until June 12, 2021. As at July 31, 2019, the Company had a share subscriptions receivable balance of $30,000 (Note 12).

On July 23, 2019, the Company issued 300,000 common shares valued at $15,000 related to the acquisition of the Sixty Mile Property (Note 5).

(Expressed in Canadian dollars)

6. Share Capital (continued)

(c) Warrants

	Year ended July 31, 2019			Period ended July 31, 2018		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Opening	**-**	**$**	**-**	-	$	-
Granted	**4,000,000**		**0.10**	-		-
Exercised	**-**		**-**	-		-
Ending	**4,000,000**	**$**	**0.10**	-	$	-

As at July 31, 2019, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
4,000,000	$0.10	June 12, 2021

7. Related Party Transactions

During the year ended July 31, 2019, management fees of $6,000 were paid/accrued to a company controlled by the Chief Executive Officer and director of the Company.

During the period from the date of incorporation on July 11, 2018 to July 31, 2018, the Company did not compensate its officers and directors.

As at July 31, 2019, the Company had an amount owing of $6,296 (2018 - $Nil) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at July 31, 2019, the Company had an amount owing of $11,298 (2018 - $Nil) to Go Metals, a company with certain management and directors in common. This amount is non-interest bearing, unsecured and repayable on demand.

8. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	July 31, 2019 $
Financial assets, measured at amortized cost:	
Cash	94,563
	94,563
Financial liabilities, measured at amortized cost:	
Accounts payable	37,582
Due to related parties	17,594
	55,176

(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 July 31, 2019, the fair values of accounts payable and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(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.

8. 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.

The Company is not exposed to any significant credit risk at July 31, 2019.

(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 July 31, 2019.

(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 does not believe it is currently subject to any significant interest rate risk.

(g) Foreign currency exchange rate risk

The Company currently has no significant operations denominated in foreign currencies. Management believes there is no significant foreign currency exchange rate risk.

9. 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.

The Company is not subject to externally imposed capital requirements as at July 31, 2019.

(Expressed in Canadian dollars)

10. 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.

11. Income Taxes

The income taxes shown in the Statements of Income (Loss) and Comprehensive Income (Loss) differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2019	2018
Statutory tax rate	27.00%	27.00%
Loss before income taxes	$ 92,383	$ 5,681
Expected income tax (recovery)	(24,943)	(1,534)
Increase (decrease) in income tax recovery resulting from:		
Current and prior tax attributes not recognized	24,943	1,534
Deferred income tax recovery	$ -	$ -

Details of deferred tax assets are as follows:

	2019	2018
Non-capital losses	$ 18,226	$ 1,534
Mineral properties	8,252	-
	26,478	1,534
Less: Unrecognized deferred tax assets	(26,478)	(1,534)
	$ -	$ -

The Company has approximately $67,000 of non-capital losses available, which begin to expire in 2039 and may be applied against future taxable income. At July 31, 2019, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

12. Subsequent Event

Subsequent to the year ended July 31, 2019, the Company received $30,000 related to the private placement completed on June 12, 2019 (Note 6).