FLOW METALS CORP.

Financial Statements

For the Years Ended July 31, 2020 and 2019

(Expressed in Canadian dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FLOW METALS CORP.

Opinion

We have audited the financial statements of Flow Metals Corp. (the "Company"), which comprise:

- the statement of financial position as at July 31, 2020;
- the statement of loss and comprehensive loss for the year then ended;
- the statement of changes in shareholders' equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated revenues since incorporation and has an accumulated deficit of $266,774 as of July 31, 2020. 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. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company as at and for the year ended July 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on November 14, 2019.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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 IFRS, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.

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We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

November 30, 2020

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

As at	July 31, 2020 $	July 31, 2019 $
Assets		
Current Assets		
Cash and cash equivalents (Note 8)	192,841	94,563
Receivables	8,672	2,549
Prepaid expenses	1,839	-
Total Current Assets	203,352	97,112
Mineral properties (Note 5)	454,250	375,750
Total Assets	657,602	472,862
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	8,509	37,582
Due to related parties (Note 7)	41,398	17,594
Total Liabilities	49,907	55,176
Shareholders' Equity		
Share capital (Note 6)	872,788	545,750
Share subscriptions receivable (Note 6)	-	(30,000)
Reserves	1,681	-
Deficit	(266,774)	(98,064)
Shareholders' Equity	607,695	417,686
Total Liabilities and Shareholders' Equity	657,602	472,862

Approved by the Board of Directors on November 30, 2020:

"Scott Sheldon"
Scott Sheldon, Director & CEO

"Donald Sheldon"
Donald Sheldon, Director

The accompanying notes are an integral part of these financial statements

FLOW METALS CORP.
Statements of Loss and Comprehensive Loss
For the Years Ended July 31, 2020 and 2019
(Expressed in Canadian dollars)

	Years ended July 31, 2020 $	July 31, 2019 $
Exploration expenses (Notes 5 and 7)	57,761	30,562
Administrative expenses		
Audit and accounting fees	34,716	20,813
Consulting fees	34,238	12,750
General and administrative	2,178	1,920
Legal (Note 7)	22,215	1,750
Management fees (Note 7)	41,000	15,588
Stock-based compensation	1,681	-
Transfer agent and filing fees	31,768	6,849
Travel	6,810	2,196
Total administration expenses	174,606	61,866
Net loss before other items	(232,367)	(92,428)
Other income		
Gain on settlement of debt (Note 6)	63,537	-
Interest income	120	45
Net loss and comprehensive loss for the year	(168,710)	(92,383)
Loss per share, basic and diluted	(0.01)	(0.01)
Weighted average shares outstanding	15,789,742	9,141,303

The accompanying notes are an integral part of these financial statements

FLOW METALS CORP.
Statements of Changes in Shareholders' Equity
For the Years Ended July 31, 2020 and 2019
(Expressed in Canadian dollars)

	Share Capital					
	Common Shares #	Amount $	Share subscriptions receivable $	Reserves $	Deficit $	Total $
Balance, at July 31, 2018	100	5	-	-	(5,681)	(5,676)
Shares issued for Plan of Arrangement	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	545,750	(30,000)	-	(98,064)	417,686
Share subscriptions received	-	-	30,000	-	-	30,000
Shares issued for private placement	3,700,000	185,000	-	-	-	185,000
Shares issued for debt	1,270,750	63,538	-	-	-	63,538
Shares issued for mineral property	1,570,000	78,500	-	-	-	78,500
Stock-based compensation	-	-	-	1,681	-	1,681
Net loss for the year	-	-	-	-	(168,710)	(168,710)
Balance, at July 31, 2020	20,766,315	872,788	-	1,681	(266,774)	607,695

The accompanying notes are an integral part of these financial statements

FLOW METALS CORP.
Statements of Cash Flows
For the Years Ended July31, 2020 and 2019
(Expressed in Canadian dollars)

	Years ended	
	July 31, 2020 $	**July 31, 2019 $**
Cash provided by (used in):		
Operating activities		
Net loss for the year	(168,710)	(92,383)
Items not involving cash:		
Stock based compensation	1,681	-
Gain on settlement of debt	(63,537)	-
Changes in non-cash operating working capital:		
Receivables	(6,123)	(2,549)
Prepaid expenses	(1,839)	-
Accounts payable and accrued liabilities	45,992	31,907
Due to related parties	75,814	17,594
Cash used in operating activities	(116,722)	(45,431)
Investing activity		
Option payments made	-	(30,000)
Cash received used in investing activity	-	(30,000)
Financing activities		
Proceeds from issuance of shares	185,000	170,000
Share subscriptions received	30,000	-
Cancellation of shares	-	(5)
Bank overdraft	-	(1)
Cash received from financing activities	215,000	169,994
Increase in cash and cash equivalents	98,278	94,563
Cash and cash equivalents, beginning of year	94,563	-
Cash and cash equivalents, end of year	192,841	94,563
Cash	182,841	84,563
Cash equivalents	10,000	10,000
	192,841	94,563
Supplemental information		
Shares issued for accounts payable and due to related parties	63,538	-
Shares issued for plan of arrangement	-	326,000
Shares issued for mineral property	78,500	19,750

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Going Concern

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

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

These 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, 2020, the Company has not generated any revenues from operations and has an accumulated deficit of $266,774. The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the statement of financial position classifications used that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

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

2. Basis of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

2. Basis of Presentation (continued)

(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. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(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 also the Company's 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 for in profit or loss.

3. Significant Accounting Policies (continued)

(c) Impairment of Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets at each reporting period. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition is less than its carrying amount.

A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount valued at higher of value in use (present value of the estimated future cash flows) and proceeds from disposition net of selling costs.

(d) 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.

(e) Income Taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss 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.

3. Significant Accounting Policies (continued)

(e) Income Taxes (continued)

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.

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.

(f) 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.

3. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

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.

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

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises of liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Amortized cost: This category included accounts payable and accrued liabilities, lease liability and convertible debentures, which are recognized at amortized cost using the effective interest method.

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.

(g) 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.

3. Significant Accounting Policies (continued)

(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 of assets or services received. If this value cannot be determined, the transactions is measured at the fair market value of the shares on the date the shares are issued. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. Proceeds from unit placements are allocated between shares and warrants issued according to the residual method with proceeds being first allocated to share capital based on their market value at the date the agreement to issue shares was concluded.

(i) Stock-based Compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees the transaction is measured at fair value of the goods or services received. If the value of goods or services received cannot be accurately determined, the transaction is measured at the fair value of the stock-based compensation.

(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.

Critical Accounting Estimates

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

<u>Fair value estimates of shares</u>
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.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates (continued)

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

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

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.

Critical Judgments Used in Applying Accounting Policies

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

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

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

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates (continued)

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

In respect of costs incurred for its mineral properties, management has determined that related acquisition costs incurred, which have been capitalized, continue to be appropriately recorded on the statements of financial position at its carrying value as management has determined there are no indicators of impairment for its mineral properties as at July 31, 2020 and 2019.

4. Plan of Arrangement

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

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

5. Mineral Properties

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

	Ashuanipi	New Brenda	Sixty Mile	Total
Balance, at July 31, 2018	$ -	$ -	$ -	$ -
Plan of Arrangement (Note 4)	-	326,000		326,000
Additions	-	4,750	45,000	49,750
Balance, at July 31, 2019	-	330,750	45,000	375,750
Additions	30,000	3,500	45,000	78,500
Balance at July 31, 2020	$ 30,000	$ 334,250	$ 90,000	$ 454,250

(Expressed in Canadian dollars)

5. Mineral Properties (continued)

During the year ended July 31, 2020, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	**New Brenda**	**Sixty Mile**	**Total**
Assay / analytical	$ 5,008	$ 1,349	$ 6,357
General administrative	-	2,218	2,218
Field work	-	5,200	5,200
Geological (Note 7)	30,738	22,712	53,450
Transportation / travel	536	-	536
Recovery of expenses	-	(10,000)	(10,000)
Total mineral property expenditures	$ 36,282	$ 21,479	$ 57,761

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 administrative	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

Ashuanipi Gold Property, Quebec, Canada

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

Cash consideration

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

Share consideration

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

5. Mineral Properties (continued)

Strategic partnership

The Company agreed to use the artificial intelligence "AI" exploration targeting, Computer Aided Resource Detection System "CARDS" supplied by Windfall Geotek, on another project with a contract value of $60,000 plus tax. Agreement for use of this AI must be signed within 45 days of listing on the CSE. Subsequent to July 31, 2020, this clause was amended and removed.

Exploration expenditures

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

New Brenda Property, British Columbia, Canada

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

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

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

Sixty Mile Property, Yukon Territory, Canada

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

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

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

6. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and Outstanding

The Company had 20,766,315 (2019 – 14,225,565) shares outstanding.

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

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

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

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

On May 6, 2020 the Company issued 1,270,750 shares at a fair value of $0.05 per share to settle 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 (Note 7).

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

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

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

(Expressed in Canadian dollars)

6. Share Capital (continued)

(ii) Shares issued during the year ended July 31, 2019

On September 17, 2018, the Company issued 9,767,234 common shares fair 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 fair 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 subscription receivable balance of $30,000 which was collected during the year ended July 31, 2020.

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).

(c) Warrants

	Year ended July 31, 2020		Year ended July 31, 2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	**4,000,000**	**$ 0.10**	-	$ -
Issued	**3,700,000**	**0.10**	4,000,000	0.10
Ending	**7,700,000**	**$ 0.10**	4,000,000	$ 0.10

As at July 31, 2020, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
4,000,000	$0.10	June 12, 2021
3,700,000	$0.10	May 6, 2022
7,700,000	$0.10	

The weighted average remaining life of outstanding warrants as at July 31, 2020 is 1.30 years (2019 – 1.87).

(d) Stock Options

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

(Expressed in Canadian dollars)

6. Share Capital (continued)

(d) Stock Options (continued)

	Year ended July 31, 2020		Year ended July 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	**-**	**$ -**	-	$ -
Granted *	**500,000**	**0.11**	-	-
Ending	**500,000**	**$ 0.11**	-	$ -

* Stock options granted vest 3 months after grant date.

As at July 31, 2020, the Company had the following stock options outstanding:

Number of options	Exercise price	Expiry date
500,000	$0.11	January 20, 2021
500,000	$0.11	

The weighted average grant date fair value of options granted during the year was $0.11 (2019 – N/A). The weighted average remaining life of outstanding options as at July 31, 2020 is 0.47 years.

As of July 31, 2020, all options outstanding remained unvested.

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

	2020	2019
Risk free interest rate	0.26%	-
Expected life (in years)	0.50	-
Expected volatility	100%	-
Dividend yield	-	-

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

(Expressed in Canadian dollars)

7. Related Party Transactions

During the year ended July 31, 2020, the Company accrued management fees of $41,000 (2019 - $6,000) to a company controlled by the Chief Executive Officer and director of the Company. The Company accrued legal fees of $22,215 (2019 - $Nil) to a company controlled by a director of the Company and $46,000 (2019 - $Nil) in geological consulting fees to a company controlled by an officer of the Company.

As at July 31, 2020, the Company had an amount owing of $17,050 (2019 - $6,296) and loan payable of $6,000 (2019 - $6,000) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at July 31, 2020, the Company had an amount owing of $7,050 (2019 - $Nil) to a company controlled by an Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at July 31, 2020, the Company had an amount owing of $890 (2019 - $Nil) and loan payable of $10,408 (2019 - $10,408) to Go Metals, a company with common management and directors. This amount is non-interest bearing, unsecured and repayable on demand.

A total of $52,000 of debt owing to the Chief Executive Officer and Chief Operating Officer of the Company for management and geological consulting fees was settled during the year ended July 31, 2020 for 520,000 common shares of the Company with a fair value of $26,000 for a gain on settlement of debt of $26,000 (Note 6).

8. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	July 31, 2020 $	**July 31, 2019 $**
Financial assets, measured at amortized cost:		
Cash and cash equivalents	192,841	94,563
	192,841	94,563
Financial liabilities, measured at amortized cost:		
Accounts payable	8,509	37,582
Due to related parties	41,398	17,594
	49,907	55,176

8. Financial Instruments (continued)

(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, 2020, the fair values of accounts payable and accrued liabilities and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. All of the Company's liabilities are due within 90 days of July 31, 2020.

(d) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As at July 31, 2020, the Company's credit risk is limited to the carrying amount on the statement of financial position arising from the Company's cash.

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

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to any significant price risk at July 31, 2020.

8. Financial Instruments (continued)

(f) Interest Rate Risk

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

(g) Foreign Currency Exchange Rate Risk

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

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.

There has been no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements as at July 31, 2020.

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.

(Expressed in Canadian dollars)

11. Income Taxes

The income taxes shown in the statements of loss and comprehensive loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2020	2019
Statutory tax rate	27.00%	27.00%
Loss before income taxes	$ 168,710	$ 92,383
Expected income tax (recovery)	(45,552)	(24,943)
Increase (decrease) in income tax recovery resulting from:		
Items not deductible for tax purposes	(16,701)	-
Origination and reversal of temporary differences	(2,700)	-
Current and prior tax attributes not recognized	64,953	24,943
Deferred income tax recovery	$ -	$ -

Details of deferred tax assets are as follows:

	2020	2019
Non-capital losses	$ 64,883	$ 18,226
Resource expenditures	26,547	8,252
	91,430	26,478
Less: Unrecognized deferred tax assets	(91,430)	(26,478)
	$ -	$ -

The Company has approximately $240,000 of non-capital losses available, which begin to expire in 2038 through to 2040 and may be applied against future taxable income. The Company also has approximately $98,000 of exploration and development costs which are available for deduction against future income for tax purposes. At July 31, 2020, 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 Events

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 finder's warrants on the same terms.

On August 25, 2020 the Company issued 300,000 common shares pursuant to the mineral property acquisition option agreement of the Ashuanipi property (Note 5).

On August 25, 2020 the Company issued 500,000 common shares pursuant to the mineral property acquisition option agreement of the Sixty Mile property (Note 5).