FLOW METALS CORP.

Financial Statements

For the Years Ended July 31, 2021 and 2020

(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 statements of financial position as at July 31, 2021 and 2020;
- the statements of loss and comprehensive loss for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years 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, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 in our audits 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 incurred a net loss of $794,146 during the year ended July 31, 2021 and, as of that date, had an accumulated deficit of $1,060,920. 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 Information

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

Our opinion on the financial statements does not cover the other information and we do not and will 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 audits, and remain alert for indications that the other information 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. 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.

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 22, 2021

FLOW METALS CORP.

Statements of Financial Position
For the years ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

As at	July 31, 2021 $	July 31, 2020 $
Assets		
Current Assets		
Cash and cash equivalents (Note 9)	423,827	192,841
Receivables	39,747	8,672
Prepaid expenses and deposits	12,295	1,839
Total Current Assets	475,869	203,352
Mineral properties (Note 4)	579,384	454,250
Right-of-use asset (Note 5)	9,750	-
Total Assets	**1,065,003**	**657,602**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	191,266	8,509
Due to related parties (Note 8)	81,740	41,398
Current portion of lease liabilities (Note 7)	9,438	-
Total Current Liabilities	282,444	49,907
Long Term-Liabilities		
Long term portion of lease liabilities (Note 7)	852	-
Total Liabilities	**283,296**	**49,907**
Shareholders' Equity		
Share capital (Note 6)	1,758,159	872,788
Reserves	84,468	1,681
Deficit	(1,060,920)	(266,774)
Total Shareholders' Equity	781,707	607,695
Total Liabilities and Shareholders' Equity	**1,065,003**	**657,602**

Approved by the Board of Directors on November 22, 2021:

"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, 2021 and 2020
(Expressed in Canadian dollars)

	July 31, 2021 $	July 31, 2020 $
Exploration Expenses (Notes 4 and 8)	497,871	57,761
Administrative Expenses		
Audit and accounting fees	42,848	34,716
Accretion (Note 7)	1,552	-
Consulting fees	26,408	34,238
Depreciation (Note 5)	6,750	-
General and administrative	19,116	2,178
Legal (Note 8)	6,709	22,215
Marketing	22,290	-
Management fees (Note 8)	109,000	41,000
Stock-based compensation (Notes 6 and 8)	41,408	1,681
Transfer agent and filing fees	20,252	31,768
Travel	-	6,810
Total administrative expenses	296,333	174,606
Net loss before other items	(794,204)	(232,367)
Other Income		
Gain on settlement of debt (Note 6)	-	63,537
Interest income	58	120
Net loss and comprehensive loss for the year	(794,146)	(168,710)
Loss per share, basic and diluted	(0.03)	(0.01)
Weighted average shares outstanding	30,793,391	15,789,742

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, 2021 and 2020
(Expressed in Canadian dollars)

	Share Capital					
	Common Shares #	Amount $	Share subscriptions receivable $	Reserves $	Deficit $	Total $
Balance, at July 31, 2019	14,225,565	545,750	(30,000)	-	(98,064)	417,686
Share subscription 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 properties	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
Shares issued for mineral properties	800,000	88,000	-	-	-	88,000
Shares issued for private placement	9,731,808	880,163	-	-	-	880,163
Shares issued for debt	400,000	24,000	-	-	-	24,000
Share issuance cost	-	(106,792)	-	41,379	-	(65,413)
Stock-based compensation	-	-	-	41,408	-	41,408
Net loss for the year	-	-	-	-	(794,146)	(794,146)
Balance, at July 31, 2021	31,698,123	1,758,159	-	84,468	(1,060,920)	781,707

The accompanying notes are an integral part of these financial statements

FLOW METALS CORP.
Statements of Cash Flows
For the years ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

	July 31, 2021 $	**July 31, 2020 $**
Cash provided by (used in):		
Operating activities		
Net loss for the year	(794,146)	(168,710)
Items not involving cash:		
Accretion	1,552	-
Depreciation	6,750	-
Gain on settlement of debt	-	(63,537)
Stock-based compensation	41,408	1,681
Changes in non-cash operating working capital:		
Receivables	(31,075)	(6,123)
Prepaid expenses and deposits	(10,456)	(1,839)
Accounts payable and accrued liabilities	182,757	45,992
Due to related parties	64,342	75,814
Cash used in operating activities	(538,868)	(116,722)
Investing activities		
Option payments	(30,000)	-
Lease payments	(7,762)	-
Mineral properties	(7,134)	-
Cash used in investing activities	(44,896)	-
Financing activities		
Net proceeds from private placements	814,750	185,000
Share subscriptions received	-	30,000
Cash received from financing activities	814,750	215,000
Increase in cash and cash equivalents	230,986	98,278
Cash and cash equivalents, beginning of year	192,841	94,563
Cash and cash equivalents, end of year	423,827	192,841
Cash	413,827	182,841
Cash equivalents	10,000	10,000
	423,827	192,841
Supplemental information		
Shares issued for accounts payable and due to related parties	24,000	63,538
Shares issued for mineral properties	88,000	78,500
Warrants issued for finders' fees	41,379	-
Right of use asset additions	16,500	-
Cash paid for interest	-	-
Cash paid for income tax	-	-

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. On September 10, 2018, the B.C. Supreme Court approved the Arrangement effective for September 17, 2018. As consideration for the New Brenda Property, the Company issued 9,767,234 common shares valued at $326,000 to Go Metals on September 17, 2018, which were then 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, 2021, the Company has not generated any revenues from operations and has an accumulated deficit of $1,060,920 (2020 – $266,774). The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The pandemic could result in delays in the course of business, including potential delays to its exploration efforts/activities/programs, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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").

(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 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.

3. Significant Accounting Policies (continued)

(b) Mineral Properties (continued)

Recognition and Measurement (continued)

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.

(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 the financial position 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, due to related parties and lease liability, which are recognized at amortized cost using the effective interest method.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets or liabilities assumed, is recognized in profit or loss.

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.

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. Forfeiture rates and dividend yields are estimated based on historical data.

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.

Right-of-use assets and lease liabilities

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency, and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations are estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

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.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates (continued)

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.

Impairment of mineral properties
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, 2021 and 2020.

Right of use assets and lease liability

The Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

(k) Leases

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

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

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

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

(k) Leases (continued)

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

4. Mineral Properties

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

	Ashuanipi	New Brenda	Sixty Mile	Total
Balance, at July 31, 2019	$ -	$ 330,750	$ 45,000	$ 375,750
Additions	30,000	3,500	45,000	78,500
Balance, at July 31, 2020	30,000	334,250	90,000	454,250
Additions	62,134	-	63,000	125,134
Balance at July 31, 2021	$ 92,134	$ 334,250	$ 153,000	$ 579,384

During the year ended July 31, 2021, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	Ashuanipi	New Brenda	Sixty Mile	Total
Assay / analytical	$ -	$ 30,000	$ 49,807	$ 79,807
Drilling	-	-	276,385	276,385
General administrative	-	-	6,843	6,843
Field work	-	3,975	56,865	60,840
Geological (Note 8)	900	-	96,352	97,252
Transportation / travel	-	506	16,238	16,744
Recovery of expenses	-	-	(40,000)	(40,000)
Total mineral property expenditures	$ 900	$ 34,481	$ 462,490	$ 497,871

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

Exploration and related expenditures	Ashuanipi	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 8)	-	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

4. Mineral Properties (continued)

Ashuanipi Gold Property, Quebec, Canada

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

Cash consideration – See Go Metals below.

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

Strategic partnership

The Company agreed to use the artificial intelligence "AI" exploration targeting and 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. During the year ended July 31, 2021, this clause was amended and removed.

Exploration expenditures

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

During the year ended July 31, 2021 the Company staked 58 (2020 – Nil) contiguous claims.

4. Mineral Properties (continued)

Ashuanipi Gold Property, Quebec, Canada

Go Metals

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

- $200,000 spent on exploration by December 1, 2021 for Go Metals to earn 40%;
- $200,000 spent on exploration by December 1, 2022 for Go Metals to earn an additional 20%;
- Following the exploration expenditures from Go Metals of $400,000, the Company has the option to create a Joint Venture; or
- Go Metals may spend an additional $400,000 by December 1, 2023 to earn an additional 20% interest.

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

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 CSE) – paid by Go Metals
(ii) $40,000 to be paid by Go Metals on February 20, 2022; and
(iii) $50,000 to be paid by Go Metals on February 20, 2023

The transaction is a related party transaction as the Company and Go Metals share common management and directors (Note 8). Additionally, Windfall Geotek Inc. has retained a 2% net smelter return on the Ashuanipi property.

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 1). 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 (Note 1).

ii) On June 9, 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. To acquire the Old Gorilla claim, the Company issued 70,000 common shares with a fair value of $3,500 (Note 6).

(Expressed in Canadian dollars)

4. Mineral Properties (continued)

Sixty Mile Property, Yukon Territory, Canada

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

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

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

During the year ended July 31, 2021, the Company staked 141 (2020 – Nil) contiguous claims.

5. Right-of-use asset

During the year ended July 31, 2021, the Company entered into a sublease agreement for the office space. Upon entering into the lease, the Company measured the present value of the lease payments using an incremental borrowing rate of 15% per annum and recognized $16,500 as a right-of-use asset. The sublease is reflected on the statement of financial position as a right-of-use asset, with an associated lease liability (Note 7).

	July 31, 2021	July 31, 2020
Beginning balance	$ -	$ -
Additions	16,500	-
Depreciation	(6,750)	-
Ending balance	$ 9,750	$ -

6. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and Outstanding

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

(i) Shares issued during the year ended July 31, 2021

The Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling $24,000. On December 21, 2020, pursuant to the settlement agreements, the Company issued an aggregate of 400,000 common shares to the insiders at a price of $0.06 per common share (fair value of $24,000) (Note 8).

On August 26, 2020, the Company completed a private placement and issued 9,516,782 units at a price of $0.09 per unit; each unit was comprised of one common share and one common share purchase warrants. Each warrant can purchase one common share at a price of $0.15 per warrant until August 26, 2023. In connection with the private placement, the Company issued 215,026 finder shares at a fair value of $0.11 per share for a total fair value of $23,653 and paid $41,760 cash finders' fee. The Company also issued an additional 679,026 finders warrants on the same terms. The fair value of the finders' warrants was determined to be $41,379 calculated under the Black-Scholes model. The finders' warrants were recorded as share issuance costs.

On August 25, 2020, the Company issued 500,000 common shares pursuant to the mineral property acquisition option agreement of the Ashuanipi property (Note 4), at a fair value of $0.11 per share for a total fair value of $55,000.

On August 25, 2020, the Company issued 300,000 common shares pursuant to the mineral property acquisition option agreement of the Sixty Mile property (Note 4), at a fair value of $0.11 per share for a total fair value of $33,000.

(ii) Shares issued during the year ended 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 4).

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 4).

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.

(Expressed in Canadian dollars)

6. Share Capital (continued)

(b) Issued and Outstanding (continued)

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

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 of the Company for management and geological consulting fees (Note 8).

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 4).

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 4).

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 4).

(c) Warrants

	Year ended July 31, 2021		Year ended July 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	**7,700,000**	**$ 0.08**	4,000,000	$ 0.10
Issued	**10,195,808**	**0.15**	3,700,000	0.10
Ending	**17,895,808**	**$ 0.12**	7,700,000	$ 0.10

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

Number of warrants	Exercise price	Expiry date
4,000,000*	$ 0.07	June 12, 2023
3,700,000	0.10	May 6, 2022
10,195,808	0.15	August 26, 2023
17,895,808	$ 0.12	

*During the year ended July 31, 2021, the Company reduced the exercise price of 4,000,000 warrants from $0.10 to $0.07 and extended the expiry date from June 12, 2021 to June 12, 2023.

The weighted average remaining life of outstanding warrants as at July 31, 2021 is 1.67 years (2020 – 1.30).

(Expressed in Canadian dollars)

6. Share Capital (continued)

(d) Stock Options

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

	Year ended July 31, 2021		Year ended July 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	**500,000**	**$ 0.11**	-	$ -
Granted	**1,400,000**	**0.10**	500,000	0.11
Expired	**(500,000)**	**(0.11)**	-	-
Ending	**1,400,000**	**$ 0.10**	500,000	$ 0.11
Exercisable	**1,400,000**	**$ 0.10**	500,000	$ 0.11

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

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

The weighted average grant date fair value of options granted during the year was $0.03 (2020 – $0.11). The weighted average remaining life of outstanding options as at July 31, 2021 is 0.89 years (2020 – 0.47).

The fair value of stock options granted during the year of $41,408 (2020 - $1,681) was estimated using the Black-Scholes option pricing model using the following assumptions:

	2021	2020
Risk free interest rate	0.12% - 0.20%	0.26%
Expected life (in years)	1.00 - 2.00	0.50
Expected volatility	100%	100%
Dividend yield	-	-
Forfeiture rate	0%	0%

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. Lease Liability

The Company recognized right-of-use asset of $16,500 (Note 5) and lease liability of $16,500. The Company recorded a right-of-use asset for subleased office space in the statement of financial position relating to the sublease agreement effective November 1, 2020. At the commencement date of the lease, the lease liability was measured as the present value of the future lease payments that were not paid at that date. These lease payments are discounted using a discount rate of 15%, which is the Company's estimated incremental borrowing rate.

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

	$
Balance, July 31, 2020	-
Lease additions	16,500
Lease payments	(7,762)
Accretion on lease liability	1,552
Balance July 31, 2021	10,290
Current portion	9,438
Long term portion	852

8. Related Party Transactions

		2021		2020
Management fees	$	109,000	$	41,000
Legal fees		6,709		22,215
Geological consulting fees		36,802		46,000
Share-based compensation		18,285		-
	$	170,796	$	109,215

As at July 31, 2021, the Company had an amount owing of $68,900 (2020 – $17,050) and a loan payable of $100 (2020 – $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, 2021, the Company had an amount owing of $11,850 (2020 – $7,050) to a company controlled by a previous Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at July 31, 2021, the Company had an amount owing of $890 (2020 – $890) and a loan payable of $Nil (2020 - $10,408) to Go Metals, a company with common management and directors. This amount is non-interest bearing, unsecured and repayable on demand.

During the year ended July 31, 2021, the Company entered into debt settlement agreements to settle outstanding fees owed to two insiders of the Company for management fees totaling $24,000. On December 21, 2020, pursuant to the settlement agreements, the Company issued an aggregate of 400,000 common shares to the insiders at a price of $0.06 per common share (Note 6).

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

(Expressed in Canadian dollars)

8. Related Party Transactions (continued)

On May 5, 2021 the Company entered an agreement with Go Metals (Note 4).

9. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	July 31, 2021 $	July 31, 2020 $
Financial assets, measured at amortized cost:		
Cash and cash equivalents	423,827	192,841
	423,827	192,841
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	191,266	8,509
Due to related parties	81,740	41,398
Lease liabilities	10,290	-
	283,296	49,907

(b) Fair Values

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

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

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

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

9. Financial Instruments (continued)

(d) Credit Risk

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

Cash and cash equivalents consist of cash and guaranteed investment certificates held in Canadian financial institutions from which management believes the risk of loss to be remote. The guaranteed investment certificates have a maturity date of June 3, 2022 and an interest rate of prime less 2.40%. 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, 2021.

(f) Interest rate risk

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

(g) Foreign currency exchange rate risk

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

10. 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.

(Expressed in Canadian dollars)

10. Capital Management (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements as at July 31, 2021.

11. 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. All long-term assets of the Company are located in Canada.

12. 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:

	2021	2020
Statutory tax rate	27.00%	27.00%
Loss before income taxes	$ 794,146	$ 168,710
Expected income tax (recovery)	(214,419)	(45,552)
Increase (decrease) in income tax recovery resulting from:		
Items not deductible for tax purposes	11,180	(16,701)
True up of prior year difference	37,224	-
Origination and reversal of temporary differences	(24,270)	(2,700)
Current and prior tax attributes not recognized	190,285	64,953
Deferred income tax recovery	$ -	$ -

Details of deferred tax assets are as follows:

	2021	2020
Non-capital losses	$ 98,368	$ 64,883
Resource expenditures	169,072	26,547
Share issuance costs	14,129	-
Lease liabilities	2,778	-
	284,347	91,430
Less: Unrecognized deferred tax assets	(284,347)	(91,430)
	$ -	$ -

The Company has approximately $364,000 of non-capital losses available, which begin to expire in 2038 through to 2041 and may be applied against future taxable income. The Company also has approximately $1,205,578 of exploration and development costs which are available for deduction against future income for tax purposes. At July 31, 2021, 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.