

FLOW METALS CORP.

Condensed Interim Financial Statements

For the Six Months Ended January 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

FLOW METALS CORP.

Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

As at	January 31, 2021 \$	July 31, 2021 \$
Assets		
Current Assets		
Cash and cash equivalents (Note 9)	88,060	423,827
Receivables	52,356	39,747
Prepaid expenses and deposits	5,301	12,295
Total Current Assets	145,717	475,869
Mineral properties (Note 4)	487,250	579,384
Right-of-use asset (Note 5)	5,250	9,750
Total Assets	638,217	1,065,003
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	37,350	191,266
Due to related parties (Note 8)	186,440	81,740
Current portion of lease liabilities (Note 7)	5,747	9,438
Total Current Liabilities	229,537	282,444
Long Term-Liabilities		
Long term portion of lease liabilities (Note 7)	-	852
Total Liabilities	229,537	283,296
Shareholders' Equity		
Share capital (Note 6)	1,758,159	1,758,159
Reserves	84,468	84,468
Deficit	(1,433,947)	(1,060,920)
Total Shareholders' Equity	408,680	781,707
Total Liabilities and Shareholders' Equity	638,217	1,065,003

Approved by the Board of Directors on March 22, 2022:

"Scott Sheldon"

Scott Sheldon, Director & CEO

"Donald Sheldon"

Donald Sheldon, Director

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

FLOW METALS CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

For the six months ended January 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	January 31,	January 31,	January 31,	January 31,
	2022	2021	2022	2021
	\$	\$	\$	\$
Exploration Expenses (Notes 4 and 8)	122,608	20,711	170,235	258,347
Administrative Expenses				
Audit and accounting fees	10,250	9,598	21,775	16,848
Accretion (Note 7)	274	594	632	594
Consulting fees	6,000	7,203	12,000	14,008
Depreciation (Note 5)	2,250	2,250	4,500	2,250
General and administrative	3,242	2,563	6,493	12,169
Marketing	1,250	19,123	3,895	19,123
Management fees (Note 8)	25,500	24,000	51,000	60,000
Stock-based compensation (Notes 6 and 8)	-	18,958	-	43,338
Transfer agent and filing fees	5,423	5,736	10,363	14,187
Total administrative expenses	(54,189)	(90,025)	(110,658)	(182,517)
Net loss before other items	(176,797)	(110,736)	(280,893)	(440,864)
Other Income				
Interest income	-	20	-	40
Write-off of mineral properties	(92,134)	-	(92,134)	-
Net loss and comprehensive loss for the period	(268,931)	(110,716)	(373,027)	(440,824)
Loss per share, basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average shares outstanding	31,698,123	31,476,384	31,698,123	29,903,411

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

FLOW METALS CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

For the six months ended January 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian dollars)

	Share Capital				
	Common Shares #	Amount \$	Reserves \$	Deficit \$	Total \$
Balance, at July 31, 2020	20,766,315	872,788	1,681	(266,774)	607,695
Shares issued for private placement	9,731,808	880,163	-	-	880,163
Share issuance cost	-	(103,735)	38,322	-	(65,413)
Shares issued for mineral properties	800,000	88,000	-	-	88,000
Shares for debt	400,000	24,000	-	-	24,000
Stock-based compensation	-	-	24,380	-	24,380
Net loss for the period	-	-	-	(440,824)	(440,824)
Balance, at January 31, 2021	31,698,123	1,761,216	83,341	(707,598)	1,136,959
Balance, at July 31, 2021	31,698,123	1,758,159	84,468	(1,060,920)	781,707
Net loss for the period	-	-	-	(373,027)	(373,027)
Balance, at January 31, 2022	31,698,123	1,758,159	84,468	(1,433,947)	408,680

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

FLOW METALS CORP.

Condensed Interim Statements of Cash Flows
For the six months ended January 31, 2022 and 2021
(Unaudited)
(Expressed in Canadian dollars)

	Six months ended	
	January 31,	January 31,
	2022	2021
	\$	\$
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Cash provided by (used in):		
Operating activities		
Net loss for the period	(373,027)	(440,824)
Items not involving cash:		
Accretion	632	594
Depreciation	4,500	2,250
Stock-based compensation	-	43,338
Write-off of mineral properties	92,134	-
Changes in non-cash operating working capital:		
Receivables	(12,609)	(12,665)
Prepaid expenses and deposits	6,994	(7,165)
Accounts payable and accrued liabilities	(153,916)	(5,509)
Due to related parties	104,700	4,305
Cash used in operating activities	(330,592)	(415,676)
Investing activities		
Lease payments	(5,175)	(2,587)
Mineral properties	-	(6,439)
Cash used in investing activities	(5,175)	(9,026)
Financing activities		
Net proceeds from private placements	-	814,750
Cash received from financing activities	-	814,750
(Decrease) Increase in cash and cash equivalents	(335,767)	390,048
Cash and cash equivalents, beginning of year	423,827	192,841
Cash and cash equivalents, end of period	88,060	582,889
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Cash	78,060	572,889
Cash equivalents	10,000	10,000
	88,060	582,889
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Supplemental information		
Shares issued for mineral properties	-	88,000
Shares issued for debt	-	24,000
Warrants issued for finders' fees	-	38,322

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

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
(Unaudited)
(Expressed in Canadian dollars)

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 is listed on the Canadian Securities Exchange under the symbol “FWM.” The Company’s registered office is located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at January 31, 2021, the Company has not generated any revenues from operations and has an accumulated deficit of \$1,433,947 (July 31, 2021 – \$1,060,920). The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

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.

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
(Unaudited)
(Expressed in Canadian dollars)

2. Basis of Presentation

These unaudited condensed interim financial statements were authorized for issue on March 22, 2022 by the directors of the Company.

(a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at and for the year ended July 31, 2021.

(b) Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. These condensed interim 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 condensed interim financial statements. These condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

3. Significant Accounting Policies

Critical Accounting Judgments and Estimates

The preparation of condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical Accounting Estimates

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

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
(Unaudited)
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3. Significant Accounting Policies (continued)

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.

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 condensed interim financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties

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

Determination of Going Concern Assumption

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

Impairment of 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 condensed interim statements of financial position at its carrying value as management has determined there are no indicators of impairment for its mineral properties as at January 31, 2022 and July 31, 2021, other than provided for.

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
(Unaudited)
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3. Significant Accounting Policies (continued)

Critical Accounting Judgments and Estimates (continued)

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.

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.

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.

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
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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, 20	\$ 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
Written-off	(92,134)	-	-	(92,134)
Balance at January 31, 2022	\$ -	\$ 334,250	\$ 153,000	\$ 487,250

During the Six months period ended January 31, 2022, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	Ashuanipi	New Brenda	Sixty Mile	Total
Assay / analytical	\$ -	\$ -	\$ 36,882	\$ 36,882
Drilling	-	-	1,732	1,732
Field work	-	-	300	300
General administrative	-	708	5,970	6,678
Geological (Note 8)	-	122,400	2,243	124,643
Total mineral property expenditures	\$ -	\$ 123,108	\$ 47,127	\$ 170,235

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

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
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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.

As at January 31, 2022, the Company is not pursuing the Ashuanipi property and recorded a write-off of mineral properties of \$92,134.

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
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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.

As at January 31, 2022, Go Metals is also not pursuing the Ashuanipi property and also recorded a write-off of the mineral 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).

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
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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 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 condensed interim statement of financial position as a right-of-use asset, with an associated lease liability (Note 7).

	January 31, 2022	July 31, 2021
Beginning balance	\$ 9,750	\$ -
Additions	-	16,500
Depreciation	(4,500)	(6,750)
Ending balance	\$ 5,250	\$ 9,750

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For the six months ended January 31, 2022 and 2021
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6. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and Outstanding

As at January 31, 2022, the Company had 31,698,123 (July 31, 2021 – 31,698,123) shares outstanding.

(i) Shares issued during the six months period ending January 31, 2022.

The Company did not issue any shares during the six months period.

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

The Company entered into debt settlement agreements to settle \$24,000 of debt. On December 21, 2020, pursuant to the settlement agreements, the Company issued an aggregate of 400,000 common shares with a fair value of \$24,000.

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.

FLOW METALS CORP.

Notes to the Condensed Interim Financial Statements
For the six months ended January 31, 2022 and 2021
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6. Share Capital (continued)

(b) Warrants

	Six months ended January 31, 2022		Year ended July 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	17,895,808	\$ 0.12	7,700,000	\$ 0.08
Issued	-	-	10,195,808	0.15
Ending	17,895,808	\$ 0.12	17,895,808	\$ 0.12

As at January 31, 2022, 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 January 31, 2022 is 1.25 years (July 31, 2021 – 1.67).

(c) Stock Options

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

	Six months ended January 31, 2022		Year ended July 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	1,400,000	\$ 0.10	500,000	\$ 0.11
Granted	-	-	1,400,000	0.10
Expired	(600,000)	\$ 0.10	(500,000)	(0.11)
Ending	800,000	\$ 0.10	1,400,000	\$ 0.10
Exercisable	800,000	\$ 0.10	1,400,000	\$ 0.10

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6. Share Capital (continued)

(c) Stock Options (continued)

As at January 31, 2022, the Company had the following stock options outstanding:

Number of options	Exercise price	Expiry date
800,000	\$0.10	January 20, 2022
800,000	\$0.10	

The weighted average grant date fair value of options granted during the six months period ended January 31, 2022 was \$0.03 (July 31, 2021 – \$0.03). The weighted average remaining life of outstanding options as at January 31, 2022 is 0.70 years (July 31, 2021 – 0.89).

The fair value of stock options granted during the year ended July 31, 2021 of \$41,408 was estimated using the Black-Scholes option pricing model using the following assumptions:

	2022	2021
Risk free interest rate	-	0.12% - 0.20%
Expected life (in years)	-	1.00 - 2.00
Expected volatility	-	100%
Dividend yield	-	-
Forfeiture rate	-	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.

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 condensed interim 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.

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7. Lease Liability (continued)

The following is a continuity schedule of lease liabilities for the six months period ended January 31, 2022 and 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
Lease payments	(5,175)
Accretion on lease liability	632
Balance January 31, 2022	5,747
Current portion	5,747
Long term portion	-

8. Related Party Transactions

During the Six months periods ended January 31, 2022 the Company had the following transactions:

	Six months January 31, 2022	Six months January 31, 2021
Management fees	\$ 51,000	\$ 60,000
Geological consulting fees	-	26,500
	\$ 51,000	\$ 86,500

As at January 31, 2022, the Company had an amount owing of \$122,450 (July 31, 2021 – \$68,900) and a loan payable of \$100 (July 31, 2021 – \$100) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at January 31, 2022, the Company had an amount owing of \$11,850 (July 31, 2021 – \$11,850) to a company controlled by a previous Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at January 31, 2022, the Company had an amount owing of \$63,890 (July 31, 2021 – \$890) 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 400,000 common shares with a fair value of \$24,000.

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8. Related Party Transactions (continued)

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

As at January 31, 2022, the Company nor Go Metals Corp. is pursuing the Ashuanipi property and both companies wrote the Ashuanipi property off. The Company recorded a write-off of mineral properties of \$92,134.

9. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	January 31, 2022 \$	July 31, 2021 \$
Financial assets, measured at amortized cost:		
Cash and cash equivalents	88,060	423,827
	88,060	423,827
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	37,350	191,266
Due to related parties	186,440	81,740
Lease liabilities	5,747	10,290
	229,537	283,296

(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 January 31, 2022, 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.

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9. Financial Instruments (continued)

(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 January 31, 2022 and lease liabilities of \$5,747 due within 12 months, and \$Nil beyond 12 months.

(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 January 31, 2022, the Company's credit risk is limited to the carrying amount on the condensed interim statement of financial position arising from the Company's cash 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 January 31, 2022.

(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.

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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. 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 January 31, 2022.

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.