

# **FLOW METALS CORP.**

Condensed Interim Financial Statements

For the Three Months Ended October 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 condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim 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 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	October 31, 2022 \$	July 31, 2022 \$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 9)	424,761	90,790
Receivables	23,843	20,567
Prepaid expenses and deposits	2,502	12,411
<b>Total Current Assets</b>	<b>451,106</b>	<b>123,768</b>
Mineral properties (Note 4)	535,902	535,902
Right-of-use asset (Note 5)	-	750
<b>Total Assets</b>	<b>987,008</b>	<b>660,420</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	44,387	39,668
Due to related parties (Note 8)	270,499	233,724
Current portion of lease liabilities (Note 7)	-	852
<b>Total Liabilities</b>	<b>314,886</b>	<b>274,244</b>
<b>Shareholders' Equity</b>		
Share capital (Note 6)	2,213,189	1,850,659
Reserves	84,468	84,468
Deficit	(1,625,535)	(1,548,951)
<b>Total Shareholders' Equity</b>	<b>672,122</b>	<b>386,176</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>987,008</b>	<b>660,420</b>

Approved by the Board of Directors on December 21, 2022:

*"Scott Sheldon"*

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Scott Sheldon, Director & CEO

*"Donald Sheldon"*

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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 three months ended October 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian dollars)

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	October 31, 2022	October 31, 2021
	\$	\$
<b>Exploration Expenses</b> (Notes 4 and 8)	<b>21,109</b>	47,627
<b>Administrative Expenses</b>		
Audit and accounting fees	4,000	11,525
Accretion (Note 7)	11	358
Consulting fees	6,840	6,000
Depreciation (Note 5)	750	2,250
General and administrative	1,976	3,251
Marketing	1,462	2,645
Management fees (Note 8)	35,500	25,500
Transfer agent and filing fees	4,936	4,940
<b>Total administrative expenses</b>	<b>(55,475)</b>	(56,469)
<b>Net loss and comprehensive loss for the period</b>	<b>(76,584)</b>	(104,096)
Loss per share, basic and diluted	<b>(0.02)</b>	(0.03)
Weighted average shares outstanding	<b>3,997,023</b>	3,169,802

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**FLOW METALS CORP.**

Condensed Interim Statements of Changes in Shareholders' Equity

For the three months period ended October 31, 2022 and 2021

(Unaudited)

(Expressed in Canadian dollars)

	<b>Share Capital</b>				
	<b>*Common Shares #</b>	<b>Amount \$</b>	<b>Reserves \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
Balance, at July 31, 2021	3,169,802	1,758,159	84,468	(1,060,920)	781,707
Net loss for the period	-	-	-	(104,096)	(104,096)
Balance, at October 31, 2021	3,169,802	1,758,159	84,468	(1,165,016)	677,611
Balance, at July 31, 2022	3,434,088	1,850,659	84,468	(1,548,951)	386,176
Shares issued private placement	5,178,999	362,530	-	-	362,530
Net loss for the period	-	-	-	(76,584)	(76,584)
Balance, at October 31, 2022	8,613,087	2,213,189	84,468	(1,625,535)	672,122

\*On July 21, 2022, the Company consolidated its share capital on the basis of one new for ten old shares. All shares and per share transactions have been updated to reflect this consolidation of one new for ten old shares.

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

**FLOW METALS CORP.**

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

	<b>Three months ended</b>	
	<b>October 31,</b>	<b>October 31,</b>
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss for the period	(76,584)	(104,096)
Items not involving cash:		
Accretion	11	358
Depreciation	750	2,250
Changes in non-cash operating working capital:		
Receivables	(3,276)	(3,931)
Prepaid expenses and deposits	9,909	345
Accounts payable and accrued liabilities	4,719	(157,166)
Due to related parties	36,775	14,500
Cash used in operating activities	(27,696)	(247,740)
<b>Investing activities</b>		
Lease payments	(863)	(2,587)
Cash used in investing activities	(863)	(2,587)
<b>Financing activity</b>		
Net proceeds from private placement	362,530	-
Cash provided by financing activity	362,530	-
(Decrease) Increase in cash and cash equivalents	333,971	(250,327)
Cash and cash equivalents, beginning of the year	90,790	423,827
Cash and cash equivalents, end of period	424,761	173,500
Cash	414,761	163,500
Cash equivalents	10,000	10,000
	424,761	173,500
<b>Supplemental information</b>		
Income tax paid	-	-
Interest earned	-	-

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 three months ended October 31, 2022 and 2021  
(Unaudited)  
(Expressed in Canadian dollars)

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### **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.

On July 21, 2022, the Company consolidated all of its issued and outstanding common shares on the basis of every ten old common shares into one new common share. Unless otherwise noted, all share, option and warrant information have been retroactively adjusted to reflect this consolidation.

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 October 31, 2022, the Company has not generated any revenues from operations and has an accumulated deficit of \$1,625,535 (July 31, 2022 - \$1,548,951). 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.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. COVID-19 has not had a significant impact on the Company, although it is unknown at this time and it is not possible to reliably estimate the impact on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities and access to mineral properties

### **2. Basis of Presentation**

These condensed interim financial statements were authorized for issue on December 21, 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”).

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### 2. Basis of Presentation) continued)

#### (a) Statement of Compliance

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, 2022

#### (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

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited condensed annual consolidated financial statements for the year ended July 31, 2022.

### 4. Mineral Properties

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

	<b>New Brenda</b>	<b>Sixty Mile</b>	<b>Ashuanipi</b>	<b>Total</b>
Balance, at July 31, 2021	334,250	153,000	92,134	579,384
Additions	-	48,652	-	48,652
Written-off (Note 8)	-	-	(92,134)	(92,134)
Balance at July 31, 2022	\$ 334,250	\$ 201,652	\$ -	\$535,902
<b>Balance at October 31, 2022</b>	<b>\$ 334,250</b>	<b>\$ 201,652</b>	<b>\$ -</b>	<b>\$ 535,902</b>



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### 4. Mineral Properties (continued)

During the three months period ended October 31, 2022, the Company incurred exploration expenditures as follows:

	New Brenda	Sixty Mile	Total
Assay / analytical	\$ 1,550	\$ -	\$ 1,550
Geological (Note 8)	12,750	-	12,750
Transport/travel	6,809	-	6,809
<b>Total mineral property expenditures</b>	<b>\$ 21,109</b>	<b>\$ -</b>	<b>\$ 21,109</b>

During the year ended July 31, 2022, the Company incurred exploration expenditures as follows:

	Ashuanipi	New Brenda	Sixty Mile	Total
Assay / analytical	\$ -	\$ -	\$ 36,882	\$ 36,882
Drilling	-	-	1,732	1,732
Field work	-	-	357	357
General administrative	-	708	7,440	8,148
Geological (Note 8)	-	152,296	7,738	160,034
Recovery of expenses	-	-	(40,000)	(40,000)
<b>Total mineral property expenditures</b>	<b>\$ -</b>	<b>\$ 153,004</b>	<b>14,149</b>	<b>\$ 167,153</b>

#### *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:

- \$5,000 cash payment on the agreement date or within five calendar days thereof (paid);
- \$25,000 cash payment (paid) and 30,000 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;
- \$30,000 cash payment and 30,000 common shares of the Company on or before the first-year anniversary of the agreement date (issued 60,000 shares with a fair value of \$30,000 for the cash payment and issued 30,000 shares with a fair value of \$15,000 for the shares);
- \$30,000 cash payment (paid) and 30,000 common shares of the Company on or before the second-year anniversary of the agreement date (issued 30,000 shares with a fair value of \$33,000); and
- \$30,000 cash payment\* and 30,000 common shares of the Company on or before the third-year anniversary of the agreement date (issued 30,000 shares with a fair value of \$10,500).

\* The Company made cash payments of \$15,000 and settled the remaining \$15,000 cash payment through the issuance of 42,857 common shares at a price of \$0.35 per share.

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### **4. Mineral Properties (continued)**

#### *Sixty Mile Property, Yukon Territory, Canada (continued)*

With the completion of these payments, the Company has earned 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, 2022, the Company staked 32 (2021 - 141) contiguous claims.

#### *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. 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, which has been capitalized to the New Brenda Property.

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 7,000 common shares with a fair value of \$3,500.

#### *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 (paid \$30,000), issue 210,000 common shares over three years (issued 110,000 with a fair value of \$85,000), and have a strategic partnership with Windfall for \$60,000 and expend exploration expenditures of \$450,000 during the first three years of the agreement. During the year ended July 31, 2021, the Company staked 58 contiguous claims.

#### *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.

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### **4. Mineral Properties (continued)**

*Ashuanipi Gold Property, Quebec, Canada (continued)*

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 (not paid); 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.

During the year ended July 31, 2022, the Company decided not to continue pursuing the Ashuanipi property and determined that indicators of impairment existed. The Company terminated the option agreement with Windfall. A test of the recoverable amount of the Ashuanipi property resulted in an impairment loss of \$92,134 during the year ended July 31, 2022. Management determined the value in use of the property in accordance with level 3 in the fair value hierarchy was \$nil as the option agreement was terminated.

### **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). The sublease came to an end on August 31 2022 without any renewal.

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### 5. Right-of-use asset (continued)

The following is a continuation table for the right-of-use asset.

Balance July 31, 2021	\$ 9,750
Depreciation	(9,000)
Balance July 31, 2022	\$ 750
Depreciation	(750)
Balance October 31, 2022	\$ Nil

### 6. Share Capital

#### (a) Authorized

Unlimited number of common shares without par value.

On July 21, 2022, the Company consolidated its share capital on the basis of one new for ten old shares. All shares and per share transactions have been updated to reflect this consolidation of one new for ten old shares.

#### (b) Issued and Outstanding

As at October 31, 2022, the Company had 8,613,087 (July 31, 2022 - 3,434,088) shares outstanding.

##### (i) Shares issued during the three months period ended October 31, 2022

On October 21, 2022, the Company completed a non-brokered private placement of 5,178,999 units issued at a price of \$0.07 per unit for gross proceeds of \$362,530. Each unit is comprised of one common share and one-half of one transferable share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional share at a price of \$0.15 for a period of two years from the date of issuance.

##### (ii) Shares issued during the year ended July 31, 2022

The Company entered into debt settlement agreements to settle \$82,000 of debt, including \$15,000 owed to a director of the Company (Note 8). On April 6, 2022, pursuant to the settlement agreements, the Company issued an aggregate of 234,286 common shares with a fair value of \$82,000.

On March 23, 2022, the Company issued 30,000 common shares with a fair value of \$10,500 pursuant to the mineral property acquisition option agreement of the Sixty Mile property (Note 4).

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 40,000 common shares with a fair value of \$24,000 (Note 8).

On August 26, 2020, the Company completed a private placement and issued 951,678 units at a price of \$0.90 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 \$1.50 per warrant until August 26, 2023. In connection with the private placement, the Company issued 21,503 finder shares at a fair value

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### 6. Share Capital (continued)

#### (b) Issued and Outstanding (continued)

##### (ii) Shares issued during the year ended July 31, 2022 (continued)

of \$1.10 per share for a total fair value of \$23,653 and paid \$41,760 cash finders' fee. The Company also issued an additional 67,903 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.

#### (c) Warrants

	Three months period ended October 31, 2022		Year ended July 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	<b>1,789,581</b>	<b>\$ 1.22</b>	1,789,581	\$ 1.22
Issued	2,589,500	0.15	-	-
Ending	<b>4,379,081</b>	<b>\$ 0.59</b>	1,789,581	\$ 1.22

As at October 31, 2022, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
400,000	\$ 0.70	June 12, 2023
1,019,581	1.50	August 26, 2023
370,000**	1.00	May 6, 2024
2,589,500	0.15	October 21, 2024
<b>4,379,081</b>	<b>\$ 1.22</b>	

\*\*During the year ended July 31, 2022, the Company extended the expiry date from 370,000 warrants exercisable at \$1.00 from May 6, 2022 to May 6, 2024.

The weighted average remaining life of outstanding warrants as at October 31, 2022 is 1.54 (July 31, 2022 - 1.17) years.

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### 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 five years and exercise price equal to or greater than market price on grant date.

	Three months ended October 31, 2022		Year ended July 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	<b>80,000</b>	<b>\$ 1.00</b>	<b>140,000</b>	<b>\$ 1.00</b>
Granted	-	-	-	-
Expired	<b>(80,000)</b>	<b>\$ 1.00</b>	<b>(60,000)</b>	<b>\$ 1.00</b>
Ending	-	-	<b>80,000</b>	<b>\$ 1.00</b>
Exercisable	-	-	<b>80,000</b>	<b>\$ 1.00</b>

As at October 31, 2022, the Company had no stock options outstanding.

### 7. Lease Liability

During the year ended July 31, 2021, the Company recognized 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. The right-of-use asset sublease came to an end on August 31 2022 without any renewal.

The following is a continuity schedule of lease liabilities for the three months period ended October 31, 2022 and for the year ended July 31, 2022:

	\$
Balance July 31, 2021	10,290
Lease payments	(10,350)
Accretion on lease liability	912
Balance July 31, 2022	852
Lease payments	(863)
Accretion on lease liability	11
Balance October 31, 2022	-

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### 8. Related Party Transactions

During the three months periods ended October 31, 2022, the Company had the following transactions:

	Three months October 31, 2022		Three months October 31, 2021	
Management fees	\$	35,500	\$	25,500
	\$	35,500	\$	25,500

As at October 31, 2022, the Company had an amount owing of \$187,775 (July 31, 2022 - \$161,000) and a loan payable of \$100 (July 31, 2022 - \$100) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at October 31, 2022, the Company had an amount owing of \$10,000 (July 31, 2022 - \$NIL) to a director of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at October 31, 2022, the Company had an amount owing of \$72,624 (July 31, 2022 - \$72,624) to Go Metals, a company with common management and directors. This amount is non-interest bearing, unsecured and repayable on demand.

On October 21, 2022 two insiders participated in the offering. Mark Curry and Scott Sheldon each obtained 1,000,000 units of the offering.

During the year ended July 31, 2022, the Company has entered into debt settlement agreements to settle outstanding cash payments owed to creditors at a fair value price of \$0.35 per share, totaling \$82,000 for option payments, management fees and exploration costs. Of the total amount owed, \$15,000 is owed to a director, an insider of the Company for management fees.

On May 5, 2021 the Company entered an agreement with Go Metals regarding the Ashuanipi property (Note 4). During the year ended July 31, 2022, the Company decided not to continue pursuing the Ashuanipi property.

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### 9. Financial Instruments

#### (a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	October 31, 2022 \$	July 31, 2022 \$
Financial assets, measured at amortized cost:		
Cash and cash equivalents	424,761	90,790
	424,761	90,790
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	44,387	39,668
Due to related parties	270,499	233,724
Lease liabilities	-	852
	314,886	274,244

#### (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 October 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.

#### (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 October 31, 2022.



## **FLOW METALS CORP.**

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

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### **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 October 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 2, 2023 and an interest rate of prime less 2.65%. 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 October 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.

### **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.

## **FLOW METALS CORP.**

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### **10. Capital Management** (continued)

There have been no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements as at October 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.