FLOW METALS CORP.

Financial Statements

For the Years Ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

smythe

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, 2023 and 2022;
- 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, 2023 and 2022, and its financial performance and 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 audits 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 $364,339 during the year ended July 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets by $87,938. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended July 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditors' report.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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.

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- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 28, 2023

FLOW METALS CORP.
Statements of Financial Position
As at July 31, 2023 and 2022
(Expressed in Canadian dollars)

As at	July 31, 2023 $	July 31, 2022 $
Assets		
Current Assets		
Cash and cash equivalents (Note 9)	190,120	90,790
Receivables	5,157	20,567
Prepaid expenses and deposits	5,919	12,411
Total Current Assets	201,196	123,768
Mineral properties (Note 4)	566,668	535,902
Right-of-use asset (Note 5)	-	750
Total Assets	**767,864**	**660,420**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	27,044	39,668
Due to related parties (Note 8)	262,090	233,724
Lease liabilities (Note 7)	-	852
Total Liabilities	**289,134**	**274,244**
Shareholders' Equity		
Share capital (Note 6)	2,228,189	1,850,659
Reserves	163,831	84,468
Deficit	(1,913,290)	(1,548,951)
Total Shareholders' Equity	478,730	386,176
Total Liabilities and Shareholders' Equity	**767,864**	**660,420**

Nature of operations and going concern (Note 1)
Subsequent event (Note 13)

Approved by the Board of Directors on November 28, 2023:

"Scott Sheldon"
Scott Sheldon, Director & CEO

"Donald Sheldon"
Donald Sheldon, Director

FLOW METALS CORP.
Statements of Loss and Comprehensive Loss
For the years ended July 31, 2023 and 2022
(Expressed in Canadian dollars)

	July 31, 2023 $	July 31, 2022 $
Exploration Expenses (Notes 4 and 8)	**50,539**	167,153
Administrative Expenses		
Audit and accounting fees	**43,269**	52,482
Accretion (Note 7)	**11**	912
Consulting fees	**30,642**	25,694
Depreciation (Note 5)	**750**	9,000
General and administrative	**4,041**	5,811
Legal	**-**	1,605
Marketing	**8,005**	6,690
Management fees (Note 8)	**130,500**	102,000
Transfer agent and filing fees	**17,689**	24,557
Stock-based compensation (Notes 6 and 8)	**79,363**	-
Total administrative expenses	**314,270**	228,751
Net loss before other items	**(364,809)**	(359,904)
Other Income (Expenses)		
Interest income	**470**	7
Write-off of mineral property (Note 4)	-	(92,134)
Net loss and comprehensive loss for the year	**(364,339)**	(488,031)
Loss per share, basic and diluted	**(0.05)**	(0.15)
Weighted average shares outstanding	**7,497,828**	3,254,945

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, 2023 and 2022
(Expressed in Canadian dollars)

	Share Capital				
	Common Shares #	Amount $	Reserves $	Deficit $	Total $
Balance, at July 31, 2021	3,169,802	1,758,159	84,468	(1,060,920)	781,707
Shares issued for mineral properties	30,000	10,500	-	-	10,500
Shares for debt	234,286	82,000	-	-	82,000
Net loss for the year	-	-	-	(488,031)	(488,031)
Balance, at July 31, 2022	3,434,088	1,850,659	84,468	(1,548,951)	386,176
Shares issued for advanced royalty payments	136,500	15,000	-	-	15,000
Shares issued private placement	5,178,999	362,530	-	-	362,530
Stock-based compensation	-	-	79,363	-	79,363
Net loss for the year	-	-	-	(364,339)	(364,339)
Balance, at July 31, 2023	8,749,587	2,228,189	163,831	(1,913,290)	478,730

The accompanying notes are an integral part of these financial statements

FLOW METALS CORP.
Statements of Cash Flows
For the years ended July 31, 2023 and 2022
(Expressed in Canadian dollars)

	July 31, 2023 $	July 31, 2022 $
Cash provided by (used in):		
Operating activities		
Net loss for the year	(364,339)	(488,031)
Items not involving cash:		
Accretion	11	912
Depreciation	750	9,000
Write off of mineral properties	-	92,134
Stock-based compensation	79,363	-
Changes in non-cash operating working capital:		
Receivables	15,410	19,180
Prepaid expenses and deposits	6,492	(116)
Accounts payable and accrued liabilities	(12,624)	(84,598)
Due to related parties	28,366	151,984
Cash used in operating activities	(246,571)	(299,535)
Investing activities		
Advance royalty payments	(15,000)	-
Lease payments	(863)	(10,350)
Mineral Property expenditures	(766)	(8,152)
Option payments	-	(15,000)
Cash used in investing activities	(16,629)	(33,502)
Financing activity		
Net proceeds from private placement	362,530	-
Cash provided by financing activity	362,530	-
Increase (decrease) in cash and cash equivalents	99,330	(333,037)
Cash and cash equivalents, beginning of the year	90,790	423,827
Cash and cash equivalents, end of year	190,120	90,790
Cash	180,120	80,790
Cash equivalents	10,000	10,000
Cash and cash equivalents, end of year	190,120	90,790
Supplemental information		
Shares issued for advanced royalty payments	15,000	-
Shares issued for mineral properties	-	10,500
Shares issued for debt	-	82,000

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 is an exploration stage company and is in the process of exploring its mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. 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 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, 2023, the Company has not generated any revenues from operations and has an accumulated deficit of $1,913,290 (2022 - $1,548,951). The Company incurred a net loss of $364,339 (2022 - $488,031) during the year ended July 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets by $87,938 (2022 - $150,476).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.

2. Basis of Presentation

These financial statements were authorized for issue on November 28, 2023 by the directors of the Company.

(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.

2. Basis of Presentation (continued)

(c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements. These financial statements are presented in Canadian dollars, which is 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.

The Company capitalizes direct mineral property acquisition costs, advance royalty payments, 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 will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

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

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

3. Significant Accounting Policies (continued)

(c) Impairment of Long-Lived Assets

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

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

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.

3. Significant Accounting Policies (continued)

(e) Income Taxes (continued)

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.

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.

3. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

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 includes 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.

(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, and the residual is allocated to warrants.

3. Significant Accounting Policies (continued)

(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 and amounts recorded to reserves are credited to share capital.

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

(j) Critical Accounting Judgments and Estimates

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

Critical Accounting Estimates

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

<u>Fair value estimates of equity instruments</u>
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 historical share prices of the Company. Forfeiture rates and dividend yields are estimated based on historical data.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates (continued)

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:

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.

(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.

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.

(Expressed in Canadian dollars)

4. Mineral Properties

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

	New Brenda $	Sixtymile $	Ashuanipi $	Total $
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
Additions	766	-	-	766
Advanced royalty payments	-	30,000	-	30,000
Balance July 31, 2023	$ 335,016	$ 231,652	$ -	$ 566,668

During the year ended July 31, 2023, the Company incurred exploration expenditures as follows:

	New Brenda	Sixtymile	Total
Assay / analytical	$ 17,876	$ -	$ 17,876
Field work	264	1,200	1,464
Geological (Note 8)	12,750	10,000	22,750
License and filing	-	1,470	1,470
Transport/travel	6,979	-	6,979
Total mineral property expenditures	$ 37,869	$ 12,670	$ 50,539

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

	New Brenda	Sixtymile	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)
Total mineral property expenditures	$ 153,004	$14,149	$ 167,153

Sixtymile Property, Yukon Territory, Canada

On March 23, 2019, the Company signed an option agreement with three optionors to acquire a 100% interest in the Sixtymile 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 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;
c) $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);
d) $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

(Expressed in Canadian dollars)

4. Mineral Properties (continued)

Sixtymile Property, Yukon Territory, Canada (continued)

e) $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.

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.

Sixtymile Property, Yukon Territory, Canada – Advance Royalty payments

Advanced Royalty Payments

Starting March 23, 2023, 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.

During March 2023, the Company paid $15,000 advanced royalty payment debts pursuant to the Sixtymile property in cash payments, and the Company settled the balance of $15,000 advanced royalty payments for the Sixtymile property by issuing 136,500 common shares at a fair value of $0.11.

Continuation schedule of advanced royalty payments made:

		Sixty Mile Property
Balance at July 31, 2022		-
Addition – Cash		
March 2023	$	15,000
Addition – Shares		
March 2023 – 136,500 shares	$	15,000
Balance at July 31, 2023	$	30,000

During the year ended July 31, 2023, the Company staked nil (2022 - 32) contiguous claims.

4. Mineral Properties (continued)

New Brenda Property, British Columbia, Canada

i) On September 17, 2018, the Company acquired 100% of the New Brenda Property from Go Metals for $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.

During the year ended July 31, 2023 the company staked 2 (2022 - 1) contiguous claims.

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.

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.

(Expressed in Canadian dollars)

4. Mineral Properties (continued)

Ashuanipi Gold Property, Quebec, Canada (continued)

Go Metals (continued)

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

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 July 31, 2023	$	-

(Expressed in Canadian dollars)

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 July 31, 2023, the Company had 8,749,587 (2022 - 3,434,088) shares outstanding.

(i) Shares issued during the year ended July 31, 2023:

On March 24, 2023, the Company issued 136,500 common shares with a fair value of $15,000 pursuant to the mineral property acquisition option agreement of the Sixtymile property (Note 4).

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 Sixtymile property (Note 4).

(c) Warrants

	Year ended July 31, 2023		Year ended July 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	**1,789,581**	**$ 1.22**	1,789,581	$ 1.22
Issued	2,589,500	0.15	-	-
Expired	(400,000)	0.70	-	-
Ending	**3,979,081**	**$ 0.58**	1,789,581	$ 1.22

(Expressed in Canadian dollars)

6. Share Capital (continued)

(c) Warrants (continued)

As at July 31, 2023, the Company had the following warrants outstanding:

Number of warrants	Exercise price ($)	Expiry date
1,019,581	1.50	August 26, 2023
370,000*	1.00	May 6, 2024
2,589,500	0.15	October 21, 2024
3,979,081	0.58	

*During the year ended July 31, 2022, the Company extended the expiry date for 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 July 31, 2023 is 0.89 (2022 - 1.17) years.

(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 20% 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.

	Year ended July 31, 2023		Year ended July 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	80,000	$ 1.00	140,000	$ 1.00
Granted	850,000	$ 0.16	-	-
Expired	(80,000)	$ 1.00	(60,000)	$ 1.00
Ending	850,000	$ 0.16	80,000	$ 1.00
Exercisable	850,000	$ 0.16	80,000	$ 1.00

As at July 31, 2023, the Company had the following stock options outstanding:

Number of options	Exercise price	Expiry date
850,000	$0.16	June 9, 2025
850,000	$0.16	

The weighted average grant date fair value of options granted during the year ended July 31, 2023 was $0.09 (2022 - $Nil). The weighted average remaining life of outstanding stock options as at July 31, 2023 is 1.86 (2022 - 0.2) years.

(Expressed in Canadian dollars)

6. Share Capital (continued)

(d) Stock Options (continued)

On June 9, 2023, the Company issued 850,000 stock options to directors' officers and consultants. The stock options are exercisable to acquire common shares of the Company at a price of $0.16 for a period of 2 years from grant and will vest on grant.

The fair value of stock options granted during the year ended July 31, 2023 of $79,363 was estimated using the Black-Scholes option pricing model using the following assumptions:

	2023	2022
Risk free interest rate	4.36%	-
Expected life (in years)	2.00	-
Expected volatility	110%	-
Dividend yield	-	-
Forfeiture rate	0%	-

The expected volatility assumption is based on the historical share price of 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

During the year ended July 31, 2021, the Company recognized 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 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 years ended July 31, 2023 and 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 July 31, 2023	-

(Expressed in Canadian dollars)

8. Related Party Transactions

During the years ended July 31, 2023 and 2022, the Company had the following transactions:

Relationship	Purpose of Transaction		**July 31, 2023**		**July 31, 2022**
Company controlled by Scott Sheldon, CEO, Director	Management fees	$	102,000	$	102,000
Director	Management fees		28,500		-
Company controlled by Adrian Smith, Director	Geological consulting fees		10,000		-
Directors and officers	Share-based compensation		60,690		-
		$	201,190	$	102,000

As at July 31, 2023, the Company had an amount owing of $198,200 (2022 - $161,000) and a loan payable of $100 (2022 - $100) to the Chief Executive Officer of the Company. This amount is non-interest bearing, unsecured and repayable on demand.

As at July 31, 2023, the Company had an amount owing of $63,890 (2022 - $72,624) to Go Metals, a company with common management and directors. This amount is non-interest bearing, unsecured and repayable on demand. Subsequent to July 31, 2023, the Company and Go Metals entered into a debt forgiveness agreement for the full balance.

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.

(Expressed in Canadian dollars)

9. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	July 31, 2023 $	July 31, 2022 $
Financial assets, measured at amortized cost:		
Cash and cash equivalents	190,120	90,790
	190,120	90,790
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	27,044	39,668
Due to related parties	262,090	233,724
Lease liabilities	-	852
	289,134	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 July 31, 2023, 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, 2023. As at July 31, 2023, the Company's current liabilities exceeded its current assets by $87,938 (2022 - $150,476).

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, 2023, 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 May 31, 2024 and an interest rate of prime less 2.70%.

(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, 2023.

(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. 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, 2023.

(Expressed in Canadian dollars)

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:

	2023	2022
Statutory tax rate	27.00%	27.00%
Loss before income taxes	$ 364,339	$ 488,031
Expected income tax (recovery)	(98,372)	(131,768)
Increase (decrease) in income tax recovery resulting from:		
Items not deductible for tax purposes	21,428	-
True up of prior year difference	27,031	-
Origination and reversal of temporary differences	7,298	(10,800)
Current and prior tax attributes not recognized	42,615	142,568
Deferred income tax recovery	$ -	$ -

Details of deferred tax assets are as follows:

	2023	2022
Non-capital losses	$ 210,914	$ 163,779
Resource expenditures	248,687	249,880
Share issuance costs	7,064	10,597
Lease liabilities	233	230
	466,898	424,486
Less: Unrecognized deferred tax assets	(466,898)	(424,486)
	$ -	$ -

The Company has approximately $781,000 of non-capital losses available, which begin to expire in 2038 through to 2043 and may be applied against future taxable income. The Company also has approximately $1,488,000 of exploration and development costs which are available for deduction against future income for tax purposes. At July 31, 2023, 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.

13. Subsequent event

On August 20, 2023, 1,019,581 warrants, exercisable at $1.50, expired unexercised.