

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of September 9, 2021 BETWEEN

CANADIAN METALS INC., a corporation incorporated under the laws of the Province of Québec (the “**Vendor**”),

AND

QNB METALS INC., a corporation incorporated under the laws of Canada (the “**Purchaser**”)

WHEREAS:

- A. The Vendor is the beneficial owner of an undivided 100% right, title and interest in and to the assets listed on Schedule A attached hereto comprising the Lac Chesnaye property located in the Province of Québec (the “**Purchased Assets**”).
- B. The Vendor wishes to sell and transfer the Purchased Assets to the Purchaser, and the Purchaser wishes to acquire such Purchased Assets from the Vendor.
- C. The parties intend that section 85 of the *Income Tax Act* (Canada) and section 518 of the *Taxation Act* (Québec) shall apply to the purchase and sale of the Purchased Assets.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

1.01 Definitions

As used in this Agreement, the following terms shall have the following meanings:

“**Agreement**” means this agreement, including its recitals and schedules and exhibits, as amended from time to time;

“**Closing**” has the meaning ascribed to such term in section 5.01;

“**Consideration**” means the amount of \$430,000, paid through the issuance of the Consideration Shares;

“**Consideration Shares**” means an aggregate of 4,300,000 common shares in the capital of the Purchaser issued at a deemed price of \$0.10 per Consideration Share;

“**Encumbrance**” means any charge, mortgage, lien, pledge, claim, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights, whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Québec;

“**Hazardous Substance**” means any substance or material that is or becomes prohibited, controlled or regulated by any federal, provincial, municipal, local or other level of government and any government agency, body, corporation, organization, department, official or authority responsible for administering or enforcing any law and includes any toxic substance, waste and dangerous goods;

“**Purchased Assets**” has the meaning ascribed to such term in the recitals; and

“**Transaction**” means the transaction contemplated by this Agreement.

ARTICLE 2 – PURCHASE OF ASSETS

2.01 Transfer of Purchased Assets

Pursuant to and subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, transfer, assign, set over, convey and deliver to the Purchaser all of the Vendor’s property, title rights and interests (whether legal or beneficial, absolute or contingent) in and to the Purchased Assets free and clear of all Encumbrances.

2.02 Payment of Consideration

In consideration for the Purchased Assets, the Purchaser will pay the Vendor the Consideration.

2.03 Legend on Consideration Shares

The Vendor acknowledges that any resale of the Consideration Shares will be subject to resale restrictions contained in the applicable securities laws applicable to the Purchaser, the Vendor or the proposed transferee. The certificate representing the Consideration Shares will bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE LATER OF (I) [INSERT CLOSING DATE]; AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.”

2.04 Tax Election

The parties shall jointly elect under the provisions of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec) that the Vendor's proceeds of disposition of the Purchased Assets and the Purchaser's cost of the Purchased Assets shall be an amount equal to the cost amount of the Purchased Assets to the Vendor. The parties further agree to jointly make the necessary elections and to execute and file the prescribed election forms and any other documents required pursuant to section 85 of the *Income Tax Act* (Canada) and section 518 of the *Taxation Act* (Québec) and any regulations under such Acts.

2.05 Delivery of Instruments of Transfer

The Vendor agrees to deliver to the Purchaser such executed instruments of transfer as required to register the transfer of ownership of the Purchased Assets in the name of the Purchaser, which instruments of transfer will be in a registrable form.

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES OF VENDOR

3.01 Vendor Matters

The Vendor represents and warrants to the Purchaser as stated below and acknowledges that the Purchaser is relying on the accuracy of each such representation and warranty in entering into this Agreement and completing the Transaction.

- (a) **Status and Capacity of Vendor.** The Vendor has been duly incorporated and organized, is a subsisting corporation in good standing under the laws of the Province of Québec and has the corporate power and capacity to own, sell and operate its property, carry on its business, dispose the Purchased Assets to the Purchaser, and to execute and deliver this Agreement and to consummate the Transaction and otherwise perform its obligations under this Agreement.
- (b) **Authorization to Sell.** The execution and delivery of this Agreement and the consummation of the Transaction have been duly and validly authorized by all necessary corporate actions on the part of the Vendor.
- (c) **Enforceability.** This Agreement has been duly and validly executed and delivered by the Vendor and represents valid and legally binding obligations of the Vendor enforceable against the Vendor in accordance with its terms, subject only, as to enforcement, to bankruptcy, insolvency and other laws affecting creditors' rights generally and to general principles of equity.
- (d) **Title to Purchased Assets.** The Vendor legally and beneficially owns and controls all of the Purchased Assets with good and marketable title free and clear of any Encumbrances, adverse claims or claims of others. The Purchased Assets have been duly and validly made, properly staked, recorded and filed by the Vendor in compliance with the applicable laws and are in good standing with all applicable governmental offices.
- (e) **Previous Exploration of Purchased Assets.** To the best of the Vendor's knowledge after reasonable inquiry, all previous exploration on the Purchased Assets has been carried out in accordance with applicable law in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining, engineering and metallurgical practices, and the Vendor has not received notice of any breach, violation or default with respect to the Purchased Assets.
- (f) **No Expropriation.** The Vendor has not received notice of the existence of any condemnation, expropriation or similar proceedings affecting the Purchased Assets.
- (g) **No Hazardous Substance.** to the best of the Vendor's knowledge after reasonable inquiry, no Hazardous Substance has been placed, held, located, used or disposed of, on, under or at the Purchased Assets by any person and to the best of the Vendor's knowledge after reasonable inquiry, no claim has ever been asserted and there are no present circumstances which could reasonably form the basis for the assertion of any claim against the Vendor for losses of any kind as a direct or indirect result of the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Purchased Assets of any Hazardous Substance.

- (h) **No Work Orders.** There are no outstanding work orders or actions required or reasonably anticipated to be required to be taken in respect of the rehabilitation or restoration of the Purchased Assets or relating to environmental matters in respect of the Purchased Assets or any operations thereon, nor has the Vendor received notice of same.
- (i) **No Other Purchase Agreements.** No person other than the Purchaser has any written or oral agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment, including a right of conversion or exchange attached to convertible securities, warrants or convertible obligations of any nature, for the purchase of the Purchased Assets.
- (j) **No Proceedings.** There is no legal, administrative, or other proceeding, arbitration, claim or action of any nature or investigation pending or, to the best of the Vendor's knowledge after reasonable inquiry, threatened against or involving the Purchased Assets or which questions or challenges the validity of this Agreement or any action taken or to be taken by the Vendor pursuant to this Agreement or any other agreement or instrument to be executed and delivered by the Vendor in connection with the Transaction and the Vendor does not know or have any reason to know of any valid basis for any such legal, administrative or other proceeding, arbitration, claim, action of any nature or investigation, and the Vendor is not subject to any judgment, order or decree entered in any lawsuit or proceeding which has had or may be expected to have an adverse effect on the Purchased Assets.
- (k) **No Conflict.** Neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the Transaction conflict with, result in the breach of or accelerate the performance required by, any agreement to which the Vendor is a party.
- (l) **No Breach.** The execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining to the Vendor or of its constating documents.
- (m) **Information Relating to the Purchased Assets.** The Vendor has made and shall continue to make available to the Purchaser all material information in its possession or control relating to the Purchased Assets, and the Vendor does not have any information or knowledge of any facts pertaining to the Purchased Assets or substances thereon or therefrom not disclosed in writing to the Purchaser, which if known to the Purchaser might reasonably be expected to deter the Purchaser from completing the transactions contemplated hereby.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES OF PURCHASER

4.01 Purchaser Matters

The Purchaser represents and warrants to the Vendor as stated below and acknowledges that the Vendor is relying on the accuracy of each such representation and warranty in entering into this Agreement and completing the Transaction.

- (a) **Status and Capacity of Purchaser.** The Purchaser has been duly incorporated and organized, is a subsisting corporation in good standing under the laws of Canada and has the corporate power and capacity to own, sell and operate its property, carry on its business, acquire the Purchased Assets from the Vendor and to execute and deliver this Agreement and to consummate the Transaction and otherwise perform its obligations under this Agreement.
- (b) **Authorization of Purchase.** The execution and delivery of this Agreement and the consummation of the Transaction have been duly and validly authorized by all necessary corporate actions on the part of the Purchaser and its shareholders.
- (c) **Enforceability.** This Agreement has been duly and validly executed and delivered by the Purchaser and represents valid and legally binding obligations of the Purchaser enforceable against the Purchaser in accordance with its terms, subject only, as to enforcement, to bankruptcy, insolvency and other laws affecting creditors' rights generally and to general principles of equity.
- (d) **No Conflict.** Neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the Transaction conflict with, result in the breach of or accelerate the performance required by, any agreement to which the Purchaser is a party.
- (e) **No Breach.** The execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining to the Purchaser or of its constating documents.
- (f) **Consideration Shares.** The Consideration Shares, as and when issued in accordance with the terms of this Agreement, will be issued as fully paid and non-assessable common shares in the capital of the Purchaser.
- (g) **No Proceedings.** There is no legal, administrative, or other proceeding, arbitration, claim or action of any nature or investigation pending or, to the best of the Purchaser's knowledge after reasonable inquiry, threatened against or involving the Purchaser or which questions or challenges the validity of this Agreement or any action taken or to be taken by the Purchaser pursuant to this Agreement or any other agreement or instrument to be executed and delivered by the Purchaser in connection with the Transaction and the Purchaser does not know or have any reason to know of any valid basis for any such legal, administrative or other proceeding, arbitration, claim, action of any nature or investigation, and the Purchaser is not subject to any judgment, order or decree entered in any lawsuit or proceeding which has had or may be expected to have an adverse effect on the Purchaser.

ARTICLE 5 – CLOSING

5.01 **Closing**

Closing of the Transaction (the “**Closing**”) will be completed at such place or time as may be mutually agreed upon by the parties.

5.02 **Closing Deliverables**

At the time of Closing:

- (a) the Purchaser shall deliver or cause to be delivered to the Vendor a copy of a share certificate duly executed by the Purchaser representing the Consideration Shares registered in the name of the Vendor, and duly issued by the Purchaser and registered in the share register of the Purchaser in the name of the Vendor;
- (b) the Vendor shall deliver or cause to be delivered to the Purchaser a mining right transfer form evidencing the transfer of a 100% interest in the Purchased Assets, in the form provided for by the responsible governmental authority as of the transfer date, together with any other document necessary or useful for such transfer, the whole to the Purchaser's satisfaction. The Purchaser shall be responsible to pay any statutory or administrative fee or duty in relation to such transfer of mining rights and to the registration thereof;
- (c) the Vendor shall deliver to the Purchaser all data relating to the Purchased Assets in its control or possession (whether in paper or digital form) and make and do all such further acts and things, to execute and deliver such instruments, agreements and documents prepared by or on behalf of the Purchaser as it shall consider reasonably necessary to give effect to the Transaction.

ARTICLE 6 – GENERAL

6.01 **Further Assurances**

Each party to this Agreement will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.02 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. Each party to this Agreement hereby attorns to the jurisdiction of the courts of the Province of Québec.

6.03 **Entire Agreement**

This Agreement shall constitute the entire agreement between the parties with respect to the Transaction. No representations or inducements have been made save as herein set forth. No changes, alterations or modifications of this Agreement shall be binding upon either party until and unless a memorandum in writing to such effect shall have been signed by the parties hereto. This Agreement shall supersede all previous written, oral or implied understandings between the parties with respect to the matters covered hereby.

6.04 **Time is of the Essence**

Time shall be of the essence of this Agreement.

6.05 **Enurement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

6.06 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

6.07 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

CANADIAN METALS INC.

Per: *"Stéphane Leblanc"*
Name: Stéphane Leblanc
Title: President

QNB METALS INC.

Per: *"Stéphane Leblanc"*
Name: Stéphane Leblanc
Title: President and CEO

SCHEDULE A

Purchased Assets

Title No	Status	Expiry Date	Area (Ha)
2431373	Active	2022-07-21	56.11
2506959	Active	2022-11-27	56.14
2506960	Active	2022-11-27	56.14
2506961	Active	2022-11-27	56.14
2506962	Active	2022-11-27	56.13
2506963	Active	2022-11-27	56.13
2506964	Active	2022-11-27	56.12
2506965	Active	2022-11-27	56.11
2506966	Active	2022-11-27	56.10
2508431	Active	2023-01-08	56.10