

FORM 2A
LISTING STATEMENT

QNB METALS INC.

September 9, 2021

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GLOSSARY OF TERMS

In this Listing Statement (as defined herein), unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

“**Arrangement**” means the transactions set out in the Arrangement Agreement.

“**Arrangement Agreement**” means the Arrangement Agreement between QNB and CME dated June 17, 2021.

“**Audit Committee**” means the audit committee of the Board of Directors.

“**Authors**” means Merouane Rachidi, P. Geo. and Claude Duplessis, P. Eng., the authors of the Technical Report.

“**Board**” or “**Board of Directors**” means the board of directors of QNB.

“**Carve-Out Financial Statements**” means the audited carve-out statements of exploration and evaluation assets and mining property related to the Lac La Chesnaye Property and notes to such carve-out statements for the year ended April 30, 2021.

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended, including the regulations promulgated thereunder.

“**CME**” means Canadian Metals Inc., incorporated on August 17, 2012 under the QBCA, with articles of amendment filed on September 16, 2019.

“**CME Meeting**” means the annual general and special meeting of CME Shareholders held on July 27, 2021.

“**CME Shareholders**” means the shareholders of CME.

“**CME Shares**” means the common shares in the capital of CME.

“**CSE**” or “**Exchange**” means the Canadian Securities Exchange.

“**Effective Date**” means the date on which the Arrangement became effective, being September 9, 2021.

“**Effective Time**” means at or after 12:01 AM (Montreal time) on the Effective Date when the Arrangement became effective.

“**Eligible Person**” has the meaning set out in section 9.1.2.

“**MD&A**” means Management’s Discussion and Analysis.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Person**” means an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative.

“**Plan of Arrangement**” means the plan of arrangement transaction with QNB and CME under the provisions of Section 414 of the QBCA, wherein CME spun out the Spinout Assets and Spinout Liabilities to QNB, as more particularly set out in the Plan of Arrangement and Arrangement Agreement between QNB and CME, which took place effective September 9, 2021.

“**QBCA**” means the *Business Corporations Act* (Quebec), CQLR c S-31.1, as amended, including the regulations promulgated thereunder.

“**QNB**” or the “**Company**” means QNB Metals Inc. incorporated October 19, 2020 under the CBCA, with articles of amendment filed on August 3, 2021.

“**QNB Financial Statements**” means the audited financial statements of QNB for the period from incorporation on October 19, 2020 to April 30, 2021, together with the notes thereto and the auditors’ report thereon.

“**QNB Financing**” means the non-brokered financing of QNB Shares at a price of \$0.10 per QNB Share, resulting in aggregate gross proceeds of \$500,000 which closed on July 30, 2021.

“**QNB Option Plan**” means the incentive stock option plan of QNB, which was approved by the CME Shareholders on July 27, 2021.

“**QNB Shares**” means the Class A common shares in the capital of QNB.

“**QNB Units**” means units of QNB, with each QNB Unit comprised of one QNB Share and one-half of one QNB Warrant.

“**QNB Warrant**” means a Class A common share purchase warrant of QNB.

“**Securities Laws**” means the applicable securities laws, regulations and rules, and the blanket rulings and policies and written interpretations of, and multilateral or national instruments applicable.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval developed by the Canadian Securities Administrators.

“**Lac La Chesnaye Property**” means the direct and indirect right, title and 100% interest in and to the Lac La Chesnaye Property located north of Baie-Comeau, in the province of Québec.

“**Spinout Assets**” means the Lac La Chesnaye Property and all business, corporate, legal and accounting books, records and documents related to the Lac La Chesnaye Property.

“**Spinout Liabilities**” means all liabilities or obligations of any type whatsoever (including contingent or absolute obligations, and future obligations) of CME, including all liabilities or obligations for taxes payable arising from or in connection with the Spinout Assets.

“**Technical Report**” means the NI 43-101 technical report dated effective December 19, 2018, entitled “NI 43-101 Technical Report update Silica Potential Estimation of the La Chesnaye Lake Property, Baie-Comeau, Québec, Canada” prepared by the Authors.

1. INTRODUCTION

The following describes the business of QNB and should be read together with the QNB Financial Statements and the Carve-Out Financial Statements which are included as Schedules “A” and “B” to this Listing Statement and the Technical Report which is available on the Company’s SEDAR profile.

1.1 Structure of Transaction

On June 17, 2021, CME and QNB entered into the Arrangement Agreement pursuant to which they completed the Arrangement, whereby CME Shareholders were issued an aggregate of 4,299,961 QNB Shares in consideration for the transfer to QNB of:

- (a) the Spinout Assets; and
- (b) the Spinout Liabilities.

Pursuant to the Arrangement Agreement, at the Effective Time on the Effective Date:

- CME transferred the Spinout Assets to QNB and QNB assumed the Spinout Liabilities in accordance with the Arrangement Agreement in exchange for 4,299,961 QNB Shares (at a deemed price of \$0.10 for each QNB Share for an aggregate value of \$429,996);
- CME undertook a reorganization of its share capital;
- CME distributed the 4,299,961 QNB Shares to the CME Shareholders such that each CME Shareholder received the number of QNB Shares equal to 4,300,000 divided by the number of CME Shares issued and outstanding immediately prior to the Effective Time, approximately 0.05865 QNB Shares, in exchange for each CME Share held by the CME Shareholder at the Effective Time; and
- the 100 QNB Shares held by CME were cancelled.

Closing of the Arrangement was on September 9, 2021.

Prior to the closing of the Arrangement, on July 30, 2021, QNB completed the QNB Financing of an aggregate of 5,000,000 QNB Units at a price of \$0.10 per QNB Unit for aggregate gross proceeds of \$500,000. Each QNB Unit was comprised of one QNB Share and one-half of one QNB Warrant. Each QNB Warrant entitles the holder thereof to purchase one QNB Share at an exercise price of \$0.18 for a period of 24 months from the date of issuance.

At the CME Meeting held on July 27, 2021, the CME Shareholders voted on the Arrangement pursuant to terms of the Arrangement Agreement and the Plan of Arrangement and approved the QNB Option Plan.

The provisions of the Arrangement Agreement were the result of negotiations between representatives of CME and QNB.

1.2 Forward-Looking Statements

This document contains information and projections based on current expectations. Certain statements herein may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of QNB, or industry

results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used herein, such statements use such words as “will”, “may”, “could”, “intends”, “potential”, “plans”, “believes”, “expects”, “projects”, “estimates”, “anticipates”, “continue”, “potential”, “predicts” or “should” and other similar terminology. These statements reflect expectations regarding future events and performance but speak only as of the date hereof. Forward-looking statements include, among others, statements with respect to planned acquisitions, strategic partnerships or other transactions not yet concluded; plans to undertake the recommended exploration program on the Lac La Chesnaye Property; market competition; plans to retain and recruit personnel; the ability to secure funding; and the ability to obtain regulatory and other approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward- looking statements made by, or on behalf of, the Company. Readers are cautioned that forward- looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

QNB assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Although QNB believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because QNB can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements herein speak only as of the date hereof. Actual results could differ materially from those anticipated due to a number of factors and risks including those described under “Risk Factors” in section 17 hereof.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Office

The full corporate name of QNB is “QNB Metals Inc.”

The head and registered and records offices of QNB is located at 866 3e Avenue, Val d'Or, Québec J9P 1T1.

2.2 Jurisdiction of Incorporation

QNB was incorporated on October 19, 2020 under the name “Contact Vet Inc.” under the CBCA. On May 18, 2021, QNB changed its name to “QNB Metals Inc.”. On August 3, 2021 articles of amendment were filed to lift the restriction of share transfers upon becoming a reporting issuer.

2.3 Intercorporate Relationships

QNB has no subsidiaries. Immediately after the completion of the Arrangement, CME did not hold any issued and outstanding shares of QNB.

After the spin-out of QNB, CME has no subsidiaries.

2.4 Requalification following a Fundamental Change

Not applicable.

2.5 Incorporation outside of Canada

Not applicable.

3. GENERAL DEVELOPMENT OF THE COMPANY'S BUSINESS

3.1 General

QNB is engaged in the business of exploration of the Lac La Chesnaye Property, a mineral property located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 Ha and comprises of 8 claims that are in the process of being granted and one claim that was previously acquired from SiO2 Canada Ltd. These claims are 100% held by the Company. QNB is an exploration stage company, owns no developing or producing properties and, consequently, has no operating income or cash flow from the property it holds.

QNB is a reporting issuer in British Columbia, Alberta, Ontario and Québec. QNB has applied to list the QNB Shares on the CSE. Listing of the QNB Shares is subject to the Company meeting CSE listing requirements.

3.2 Significant Acquisitions or Dispositions

Other than the acquisition of the Lac La Chesnaye property, QNB has made no significant acquisitions or dispositions since incorporation.

3.3 Forward-Looking Statements

See 1.2 – *Forward-Looking Statements*.

4. NARRATIVE DESCRIPTION OF THE COMPANY'S BUSINESS

4.1 General

4.1.1 Business of Exploration

(a) Mineral Properties

QNB acquired a direct and indirect right, title and 100% interest in and to the Lac La Chesnaye Property from CME pursuant to the Arrangement Agreement in exchange for QNB Shares.

Pursuant to the Arrangement Agreement and an asset purchase agreement, QNB received all business, corporate, legal and accounting books, records and documents used in the conduct of and related to the undertakings of the Lac La Chesnaye Property. QNB also assumed the QNB Liabilities. Pursuant to the Arrangement Agreement, CME Shareholders were issued an aggregate of 4,299,961 QNB Shares (at a deemed priced of \$0.10 per QNB Share), with each CME Shareholder being issued a number of QNB Shares equal to 4,300,000 divided by the number of CME Shares issued and outstanding immediately prior to the Effective time, being approximately 0.05865 QNB Shares, in exchange for each CME Share held at the Effective Date.

(b) Business Objectives and Milestones

With the funds available to it as described below under the sub-heading “*Total Available Funds*” and “*Principal Purposes of Funds Available*”, QNB intends to, during the 12 months following completion of the Arrangement:

- continue exploration of the Lac La Chesnaye Property, and
- as opportunities arise, expand its portfolio of exploration properties.

QNB plans to stay in the mineral exploration business. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to QNB. QNB may abandon in whole or in part, its interest in the Lac La Chesnaye Property, or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining the other Lac La Chesnaye Property or other properties acquired by QNB, although QNB has no present plans in this respect. As recommended in the Technical Report, approximately \$125,000 will be dedicated for next exploration and drilling works.

(c) Total Funds Available

QNB has available cash in the amount of approximately \$481,730, comprised of proceeds of \$500,000 from the QNB Financing minus cash finder fee of \$18,270.

(d) Principal Purposes of Funds Available

The following table summarizes expenditures anticipated by QNB required to achieve its business objectives during the 12 months following completion of the Arrangement and the proposed listing of the QNB Shares on the CSE (see in this Listing Statement - “*Narrative Description of the Company’s Business – General – Business of Exploration – Business Objectives and Milestones*”, which follows).

Principal purpose	Amount (upon completion of QNB Financing, assuming \$500,000 of aggregate gross proceeds under the QNB Financing)
Obtain CSE listing ⁽¹⁾	\$100,000
Finder fee QNB Financing	\$18,270

Exploration expenditures	\$125,000
General and Administrative ⁽²⁾	\$150,000
Unallocated working capital	\$106,730
Total	\$500,000
Notes:	
(1)	Consists of transfer agent fees, legal fees, audit costs and miscellaneous fees.
(2)	\$75,000 in salaries, \$25,000 in legal and accounting, \$15,000 in lease and office rent, and \$35,000 in listing and continuous disclosure related fees.

QNB intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for QNB to achieve its objectives or to pursue other exploration and development opportunities. See “*Risk Factors*”.

4.1.2 Principal Products or Services

Not applicable.

4.1.3 Production and Sales

QNB has no direct employees. QNB expects to rely on and engage consultants on a contract basis, as is usual in the mineral exploration business in Canada.

4.1.4 Competitive Conditions

The mining industry is intensely competitive in all its phases. QNB competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than QNB. The competition in the mineral exploration and development business could have an adverse effect on the Company’s ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

4.1.5 Lending and Investment Policies and Restrictions

Not applicable.

4.1.6 Bankruptcy or Receivership Proceedings

There have been no results of any bankruptcy, or any receivership or similar proceedings against QNB or any voluntary bankruptcy, receivership or similar proceedings by QNB.

4.1.7 Material Restructuring Transactions

Not applicable.

4.1.8 Social or Environmental Policies

Not applicable.

4.2 **Companies with Asset-backed Securities Outstanding**

Not applicable.

4.3 **The Lac La Chesnaye Property**

The Company's material property is the Lac La Chesnaye Property. Information of a scientific or technical nature in respect of the Lac La Chesnaye Property in this Listing Statement is derived from portions of the independent NI 43-101 technical report dated effective December 19, 2018, entitled "NI 43-101 Technical Report update Silica Potential Estimation of the La Chesnaye Lake Property, Caie-Comeau, Québec, Canada" prepared by the Authors. The Authors are qualified persons as defined in NI 43-101 and are independent of QNB.

Investors should consult the Technical Report which is filed on the Company's SEDAR profile at www.sedar.com to obtain further particulars regarding the Lac La Chesnaye Property. Readers are cautioned that the summary of technical information in this Listing Statement should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Technical Report and the summary provided herein is qualified in its entirety by Technical Report. Capitalized and abbreviated terms appearing in this section and not otherwise defined herein have the meaning ascribed to such terms in the Technical Report.

4.3.1 **Property Description, Location**

The Lac La Chesnaye property is located within NTS map sheet 22F08, in the municipality of Baie-Comeau, within the Regional Municipality (MRC) of Manicouagan, region of Côte-Nord.

The property is approximately 15 kilometers north of the city of Baie-Comeau at latitude 49°19'27.91" N and longitude 68°10'22.54" W in UTM zone 19.



Figure 1: La Chesnaye Lake Property location map

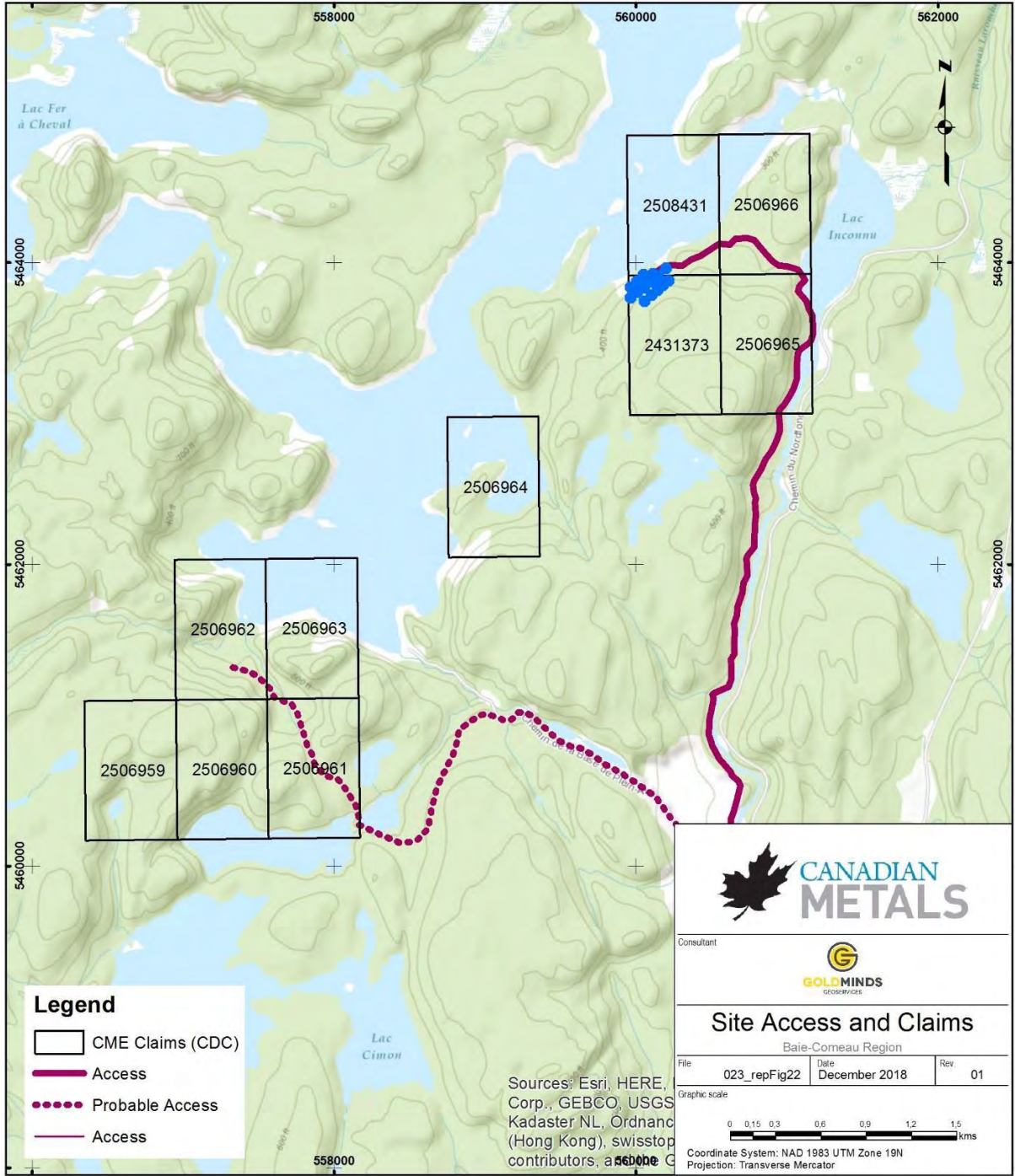


Figure 2: Claims of La Chesnaye Lake Property and CDC claims

The property is made of ten claims (CDC) covering an area of 561.72 hectares. According to the Ministry of Energy and Natural Resources of Quebec GESTIM (Gestion des titres miniers), the active permits are 100% owned by the Company. These claims will be transferred 100% to QNB following the arrangement plan at the Superior Court of Quebec (Press release May 20, 2021).

The Authors did not verify the status of claims, but rather examined the data on available computer support as well as the information on the public register of mining rights of the GESTIM dated May 28th, 2021.

Most the claims are expiring in 2022 and one claim (CDC 2508431) will expire in 2023. A summary of the tenure information as extracted from the GESTIM is presented in Table 3.

Table 3: Claims information of the La Chesnaye Lake Property

Sheet	Type	Title No.	Area (Ha)	Required work (\$)	Required Fee (\$)	Expiry date
22F08	CDC	2431373	56.11	780	64.09	2022-07-21
22F08	CDC	2506959	56.14	780	64.09	2022-11-27
22F08	CDC	2506960	56.14	780	64.09	2022-11-27
22F08	CDC	2506961	56.14	780	64.09	2022-11-27
22F08	CDC	2506962	56.13	780	64.09	2022-11-27
22F08	CDC	2506963	56.13	780	64.09	2022-11-27
22F08	CDC	2506964	56.12	780	64.09	2022-11-27
22F08	CDC	2506965	56.11	780	64.09	2022-11-27
22F08	CDC	2506966	56.10	780	64.09	2022-11-27
22F08	CDC	2508431	56.10	780	64.09	2023-01-08

Table 3 was modified after GESTIM (Gestion des titres miniers – Gouvernement du Québec) downloaded November 30th, 2018.

The claims are map-designated and have pre-established positions. No legal survey of the claims is required.

The Authors are not aware if there is a royalty obligation on the Lac La Chesnaye property.

As defined by the MERN website (www.mern.gouv.qc.ca), the claim is the only valid exploration right in Québec. The claim gives the holder an exclusive right to search for mineral substances in the public domain on the land subjected to the claim, except within sand, gravel, clay, and other loose deposits. The term of a claim is two years from the day the claim is registered, and it can be

renewed indefinitely providing the holder meets all the conditions set out in the Mining Act, including the obligation to invest a minimum amount required in exploration work as determined by the regulation. The Mining Act includes provisions to allow any amount disbursed to perform work, in excess of the prescribed requirements, to be applied to subsequent terms of the claim.

The Authors are not aware if there are an environmental liabilities pertaining to the Lac La Chesnaye property.

The only permit required to carry out exploration on the property is the usual permit for forestry management. The company must also respect all the environmental laws applicable to the type of the exploration/exploitation works. An application for a new permit will be necessary for additional exploration activities.

4.3.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Lac La Chesnaye property is road accessible by car via paved provincial Highway 138 and three (3) km on a gravel road Roland Munger to the ski resort Mount Ti-Basse. Then, seven and a half (7.5) km on an old bush road, now a cross-country ski trail, accessible by VTT and approximately two (2) km hiking in the bush to go around the mountain. A barge could also be used to get to the site. A dock is located two (2) km away from the ski resort, at the end of la Base de Plein Air road. Cars can be driven all the way to the marina.

Access to the Lac La Chesnaye property may be troubled by heavy snow accumulation. The property could still be accessed by snowmobile in winter.

M. Rachidi P. Geo., visited the claims located to the east of the lake. The claims located to the south- west of the Lac La Chesnaye were not visited by GMG's geologist. As seen on the satellite maps, the property is accessible via the ski resort then by la Base de Plein Air road by car. Half way on the la Base de Plein Air road, take a turn to the left on a bush road. The quality of the road is unknow at the moment. But it would be practicable by VTT of by foot. Both sectors are accessible via the ski resort Mount Ti-Basse.

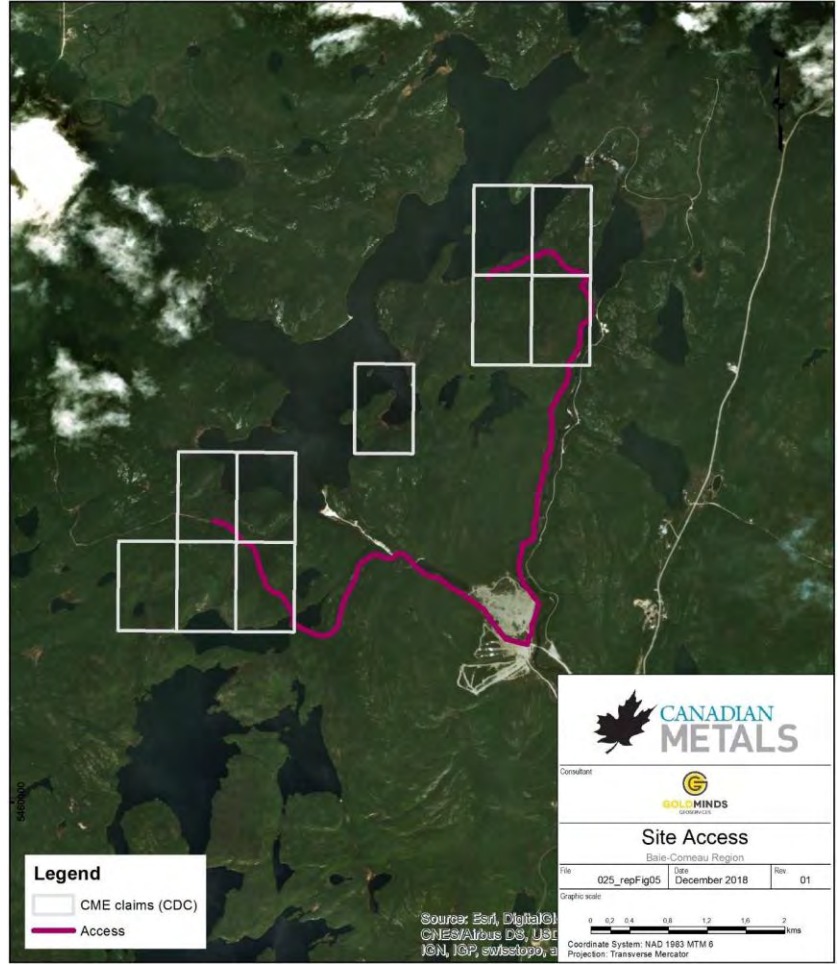


Figure 3: Aerial view of the Property’s access road

The Lac La Chesnaye Property is located on the northwestern slope of a 150-m high mountain. The Lac La Chesnaye is located on the northeastern side of the property. The lake’s elevation is 63 m above mean sea level. The property is entirely covered by thick forest dominated by conifers. Although, outcrops can be easily found across the property.

The closest climate data collection site is the Les Buissons station located at latitude 49°5’25’’ and longitude 68°19’20’’, in Pointe-aux-Outardes, 28km southwest of the property. Table 4 presents the 2017 monthly report from Environment Canada.

Table 4: Temperature and Precipitation (°C)

Month	Temperature Mean			Precipitation		
	Max. (°C)	Min. (°C)	Mean (°C)	Rain (mm)	Snow (cm)	Total (mm)
January	-5	-15.8	-10.4	7.8	52.6	60.4

February	-5	-17.1	-11.1	22	26.4	48.4
March	-2.8	-14.6	-8.8	2	82.4	84.4
April	4.9	-3.3	0.8	60.8	-	60.8
May	13.4	3.1	8.3	46.8	0	46.8
June	18.5	8	13.3	62.2	0	62.2
July	20.7	9.2	15	44	0	44
August	19.4	9.2	14.3	35	0	35
September	16.9	7.2	12.1	50	0	50
October	12	1.6	6.8	120.8	0	120.8
November	1.6	-6.8	-2.6	64.4	9.6	74
December	-6.3	-15.3	-10.8	0	21.8	21.8
Annual	-	-	-	515.8	-	708.6

The Lac La Chesnaye property is located at approximately 20 km from the nearest town of Baie-Comeau. A deep-water port and railways are available in Baie-Comeau. The city of Baie-Comeau has a population of approximately 21,200. The area has a history of important forestry, mining and industrial industry. As such, experienced workforce is available in the region.

4.3.3 History

Geological mapping and exploration of the Lac La Chesnaye area of the Manicouagan Region by governmental institutions began with the investigations of Carl Faessler in 1933. A sample from La Chesnaye Lake graded 99.71% SiO₂ and 0.18% iron oxide. The biggest quartzite deposit identified by the author was located at 4.5 miles from the La Chesnaye lake, in the rivière des Anglais valley (Figure 4 and Figure 5).

In 1952, the Quebec North Shore Paper Company took 122 surface samples from four trenches, each weighing around 22.7 kg grading an average of 99.0% SiO₂, 0.77% Al₂O₃ and 0.22% Fe₂O₃. Twenty (20) additional surface samples were taken from outcrops. They returned average grades of 99.0% SiO₂, 0.58% Al₂O₃ and 0.58% Fe₂O₃.

In 1957, 15 diamond drill holes were drilled by the Quebec North Shore Paper Company. The historical sampling data show a high content of silica (SiO₂ between 98% and 99.71%).

The property was abandoned subsequent the exploration works done in 1985.

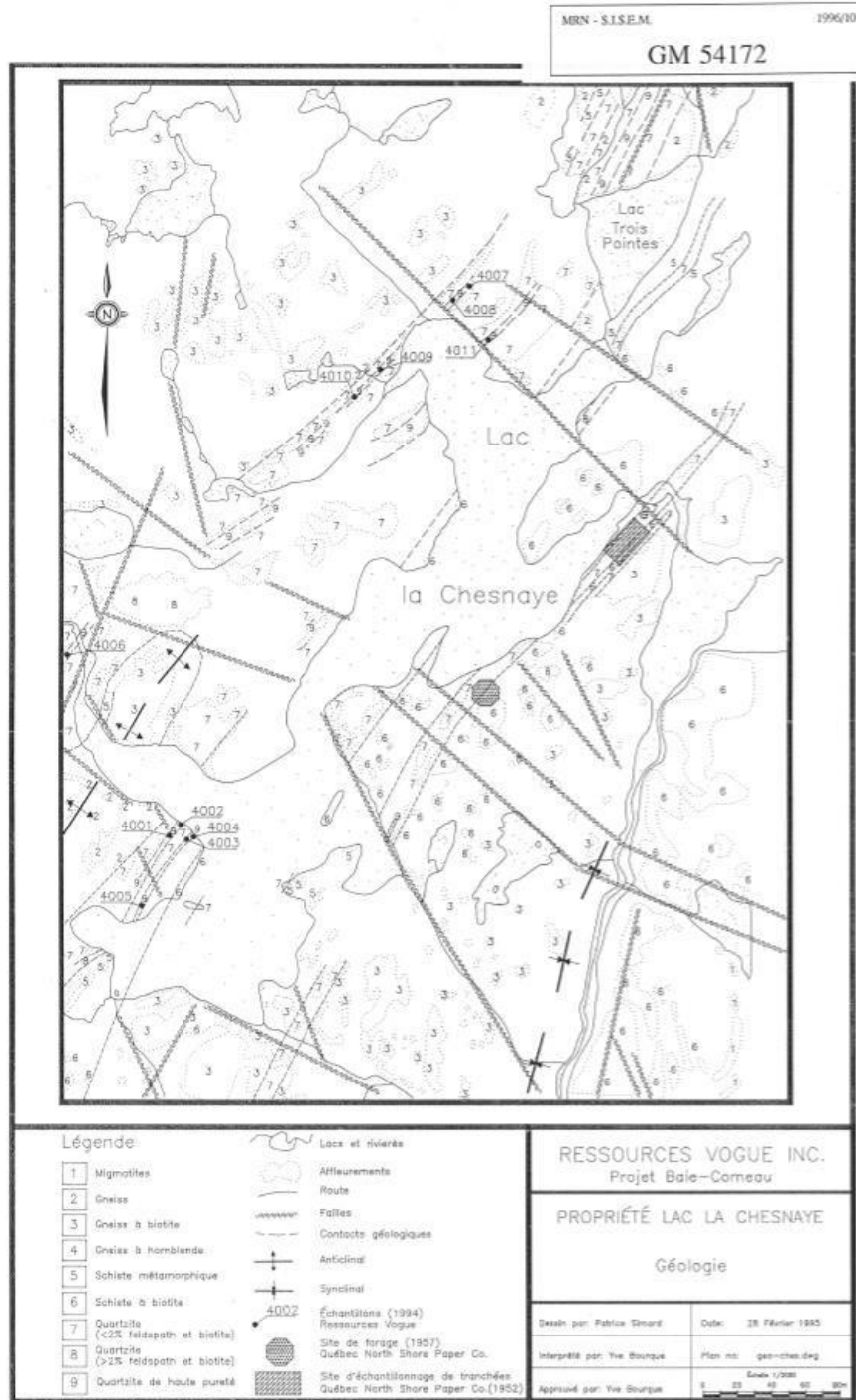


Figure 4: Location of historical work (source: Work Assessment report, La Chesnaye Lake property, 1995)

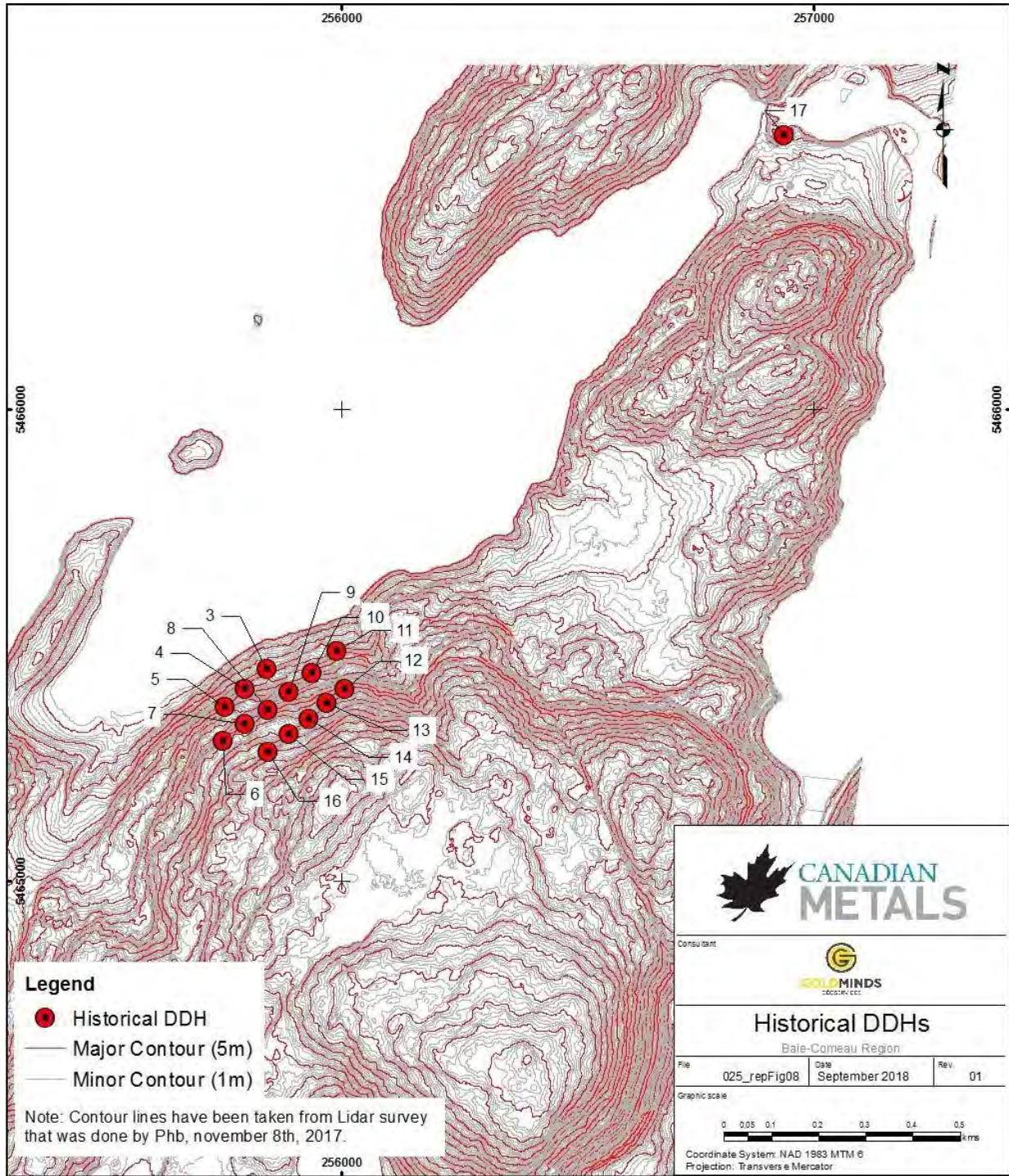


Figure 5: The historical diamond drill holes (DDH) localisation

Quebec North Shore Paper Company published in the 20/10/1985 edition of the Northern Miner, the historical reserves* of 3.5 Mt grading 98% SiO₂.

Resources Vogue, did in 1994 an exploration work and sampled on the west side of the lake to verify the structural continuity of the quartzite. Sampled reported average grade of 99.18% in SiO₂ with

contaminants (0.26% Al₂O₃, 0.10% Fe₂O₃, 0.14% K₂O and 0.04% TiO₂). Because of the hard accessibility and the rugged terrain, the authors do not recommend future work.

4.3.4 Geological Setting, Mineralization and Deposit Types

Regional Geology

The Lower Manicouagan river region is composed of Precambrian consolidated rocks which has the same characteristic as the Grenville sub province. A high quantity of highly metamorphized paragneiss and gneiss from unknown origin can be found with the plutonic rocks with compositions that ranges from diorite to granite (Figure 6, Figure 7 and Figure 8).

The oldest rock in the region are from the Proterozoic period and can be found as a heterogenous group of paragneiss. Their texture and structures suggest that they are primarily from sedimentary origin and, in smaller proportion, volcanic rock. The paragneiss are composed of alternating thin layers of quartz, plagioclase, some biotite and some hornblende that contains a little bit of quartz and feldspath. Gneiss and granitic gneiss are the most important rock group of the region. The composition, texture and structure of the rocks vary greatly but generally present a granitic aspect. This group possess numerous characteristic that are common to massive granitic rock as well as paragneiss. They present a more pronounced metamorphism than the paragneiss. The majority of the gneiss shows grey and pink colors produced by superficial alteration. The composition varies greatly, however the quartz, plagioclase, orthoclase, biotite and hornblende remain that main constituent.

Granitic rocks can be differentiated from each other by their texture and composition. That rock group, generally massive, contains granite, porphyric granite, granite to pyroxene, granodiorite, and in smaller proportion, syenite and quartz diorite. Generally, the contacts are not well defined.

Glacial streaks, flutes and rock polish constitute proofs of intense glacial action during the Pleistocene glaciation. A moraine made from blocks inside a sand and gravel matrix covers an important part of the region. These blocks come from typical rock in the region, however a number of pink and white quartzite and conglomerates from smaller rocks comes from the Otis mountain range in the north.

Marine clay containing Pleistocene fossils and outwash sand form terraces along the Saint-Lawrence River and along the lower rivers that flows into the Saint-Lawrence.

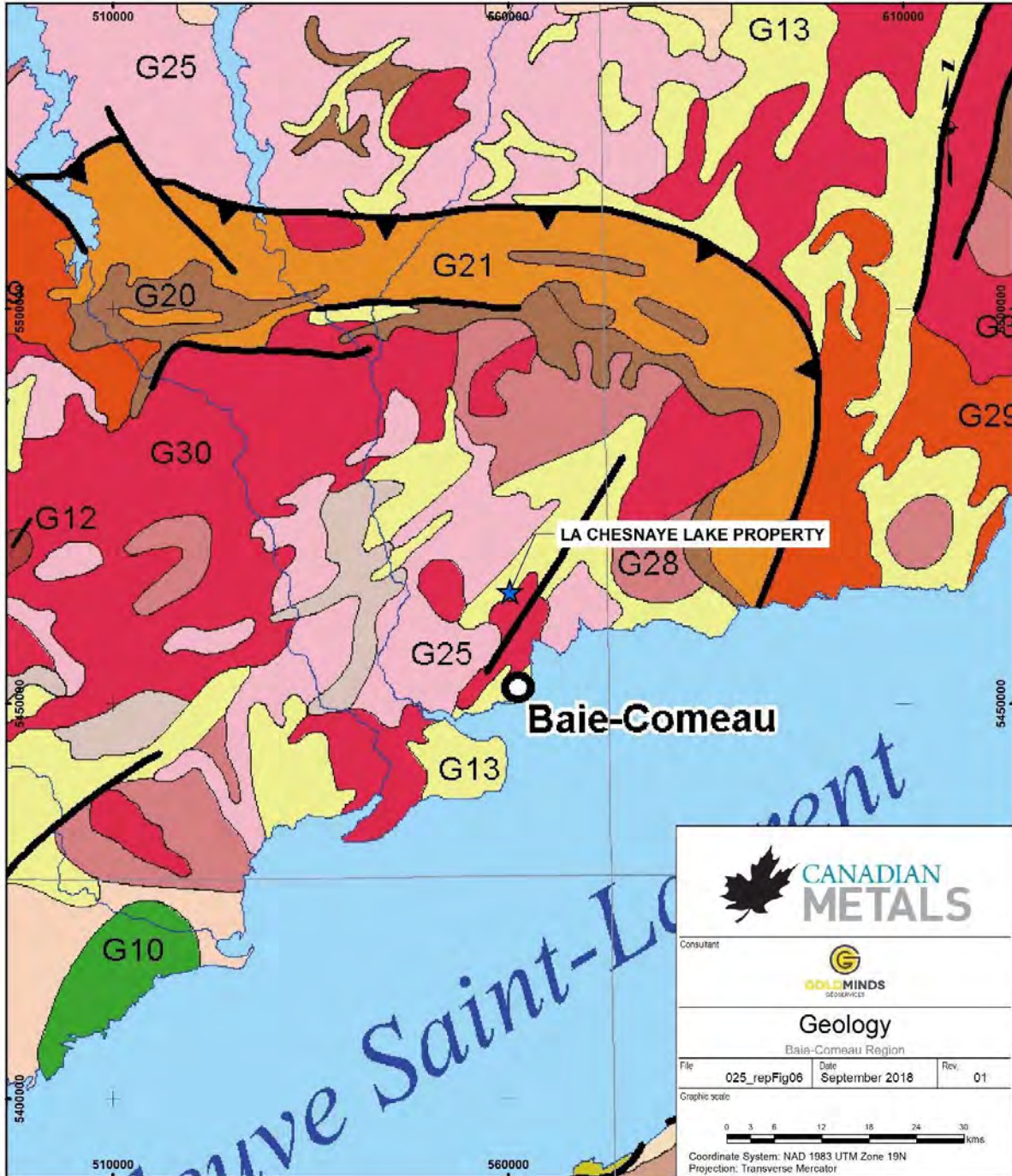


Figure 6: Geological map deposit (source: Work Assessment report, La Chesnaye Lake property, 1995)



Figure 7: Legend for Figure 6 (source : Work Assessment report, La Chesneaye Lake property, 1995)

Local Geology

The Lac La Chesnaye deposit corresponds to Bourdon complex (1491 Ma) composed mainly by paragneiss with biotite containing silimanite, cordierite, pyroxene, garnet and some graphite, migmatized paragneiss and migmatite of sedimentary origin (more than 50% of leucosomes). The northern limit of the property is mainly composed by white and grey quartzite. The Bourdon complex is affected by granite intrusions called ‘Granite de Éthier’. This later is mainly composed by white and grayish granite with garnet of medium granulometry oriented NE-SO parallel to the deformation of Chesnaye (Moukhsil et al., 2007; Figure 8).

To the west of the Lac La Chesnaye, the property is limited by the Baie-Comeau complex (1101 +/- 18Ma) mainly composed by gneiss comprising tonalitic and granulite gneiss.

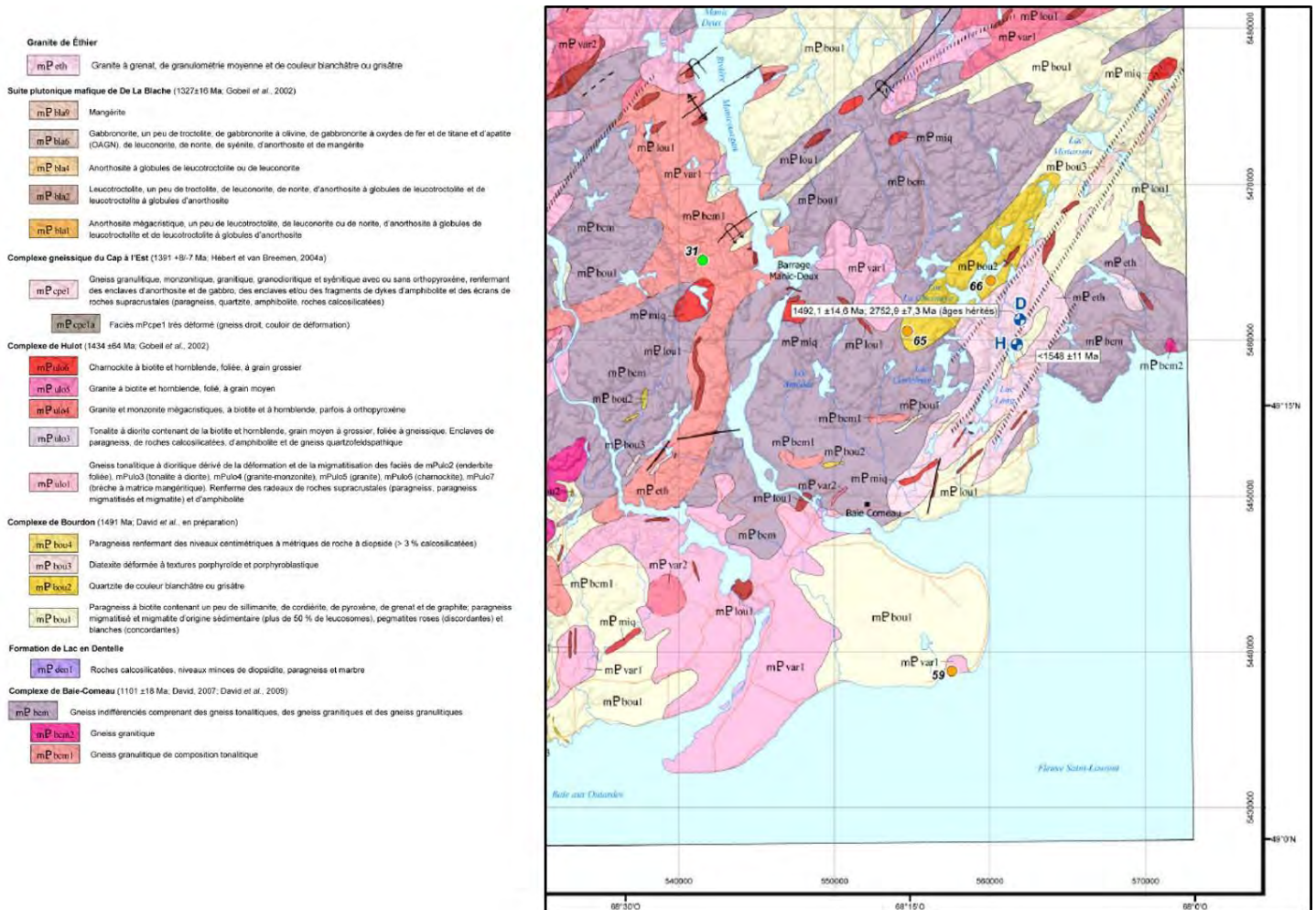


Figure 8: Regional Geology

Deposit Types

The geology of the Lac La Chesnaye property is characterised by the presence of a number of quartzite band that are enclosed in gneiss. Those quartzite bands are generally oriented northeast-southwest with different length and width and are classified in three categories.

The first category (<2% feldspath and biotite) generally presents bands 200 m long and a width of over 100 m. The second category (>2% feldspath and biotite) is less abundant and can only be seen on the northeastern side of the lake. The third category (high quality quartzite) is included in the first category as bands with varying thickness and length varying from to 50 to 150 meters.

The quartzite has a glassy appearance and its granulometry varies from fine to coarse. Feldspath, biotite, muscovite, ilmenite and hematite are the main contaminants. A centimetric layering disseminated can be seen inside numerous alternating whites, grey and red (oxidation) bands overlap.

Exploration

Exploration work has been done on the site since 1933. A hundred and twenty-two (122) samples were taken within four (4) trenches in 1952 and an additional twenty (21) sample was also taken. Forteen n (15) diamond drill holes were completed in 1957 for a total of 443 meters (Table 5). Some analysis results are present in historical reports but only incomplete information was found.

Table 5: Diamond drill holes, campaign 1957 (UTM coordinates, NAD 83 zone 19)

Hole name	Easting	Northing	Elevation	Azimuth	Dip	Length
3	560053,00	5463919,00	135	0	-90	30,48
4	560007,00	5463876,00	142	0	-90	30,48
5	559965,00	5463836,00	152	0	-90	31,39
6	559964,00	5463765,00	131	0	-90	17,68
7	560008,00	5463802,00	130	0	-90	30,48
8	560056,00	5463833,00	123	0	-90	30,48
9	560100,00	5463872,00	113	0	-90	30,18
10	560149,00	5463913,00	100	0	-90	30,48
11	560200,00	5463961,00	88	0	-90	31,39
12	560218,00	5463879,00	132	0	-90	30,78
13	560181,00	5463850,00	142	0	-90	30,78
14	560145,00	5463816,00	146	0	-90	34,14
15	560103,00	5463782,00	148	0	-90	35,66
16	560058,00	5463743,00	150	0	-90	30,48
17	561127,00	5465071,00	N/A	0	-90	18,59

The 2017 exploration campaign was the first exploration expenditure by Canadian Metals Inc. on the Lac La Chesnaye Lake. The campaign had two main goals. The first goal was to confirm the data from the 1957 drilling campaign and the second one was to acquire 25 kg samples for metallurgical testing.

During the 2017 exploration program ten surface samples were taken (Table 6). Four (4) grab samples (around 25 kg each sample) were taken for metallurgical testing and six smaller grab samples were also taken for grade and composition analysis (Figure 10).

Table 6: The sampling data, 2017 campaign

Name	UTM North (m)	UTM East (y)	Elevation (z)	Sample Type
GS17-01	560113	5463924	93	Metallurgical Test Sampling
GS17-02	560123	5463888	112	Metallurgical Test Sampling
GS17-03	560012	5463829	124	Metallurgical Test Sampling
GS17-04	560129	5463906	112	Metallurgical Test Sampling
S17-01	559993	5463843	106	Grab Sample
S17-02	560108	5463871	120	Grab Sample
S17-03	560077	5463890	106	Grab Sample
S17-04	560054	5463850	116	Grab Sample
S17-05	560039	5463839	120	Grab Sample
S17-06	560008	5463856	106	Grab Sample

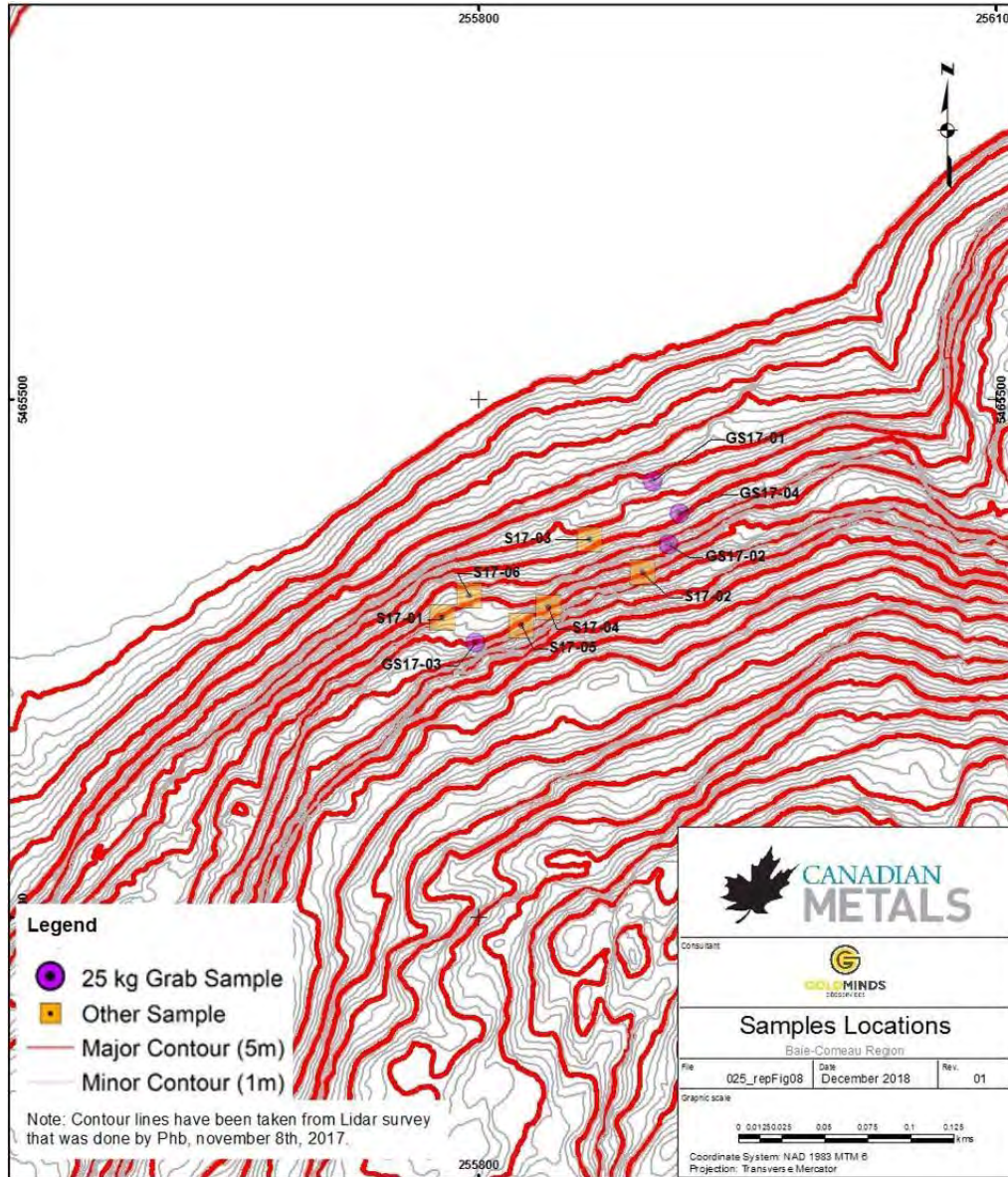


Figure 10: Location of samples taken by GMG in 2017

In order to access the site during the 2017 visit, GMG contacted La Coopérative forestière La Nord-Côtière, a forestry company to operate a trail in the forest, between the cross-country ski trail through most part of the site. The width of the line is around 1.5 meters (Figure 11).

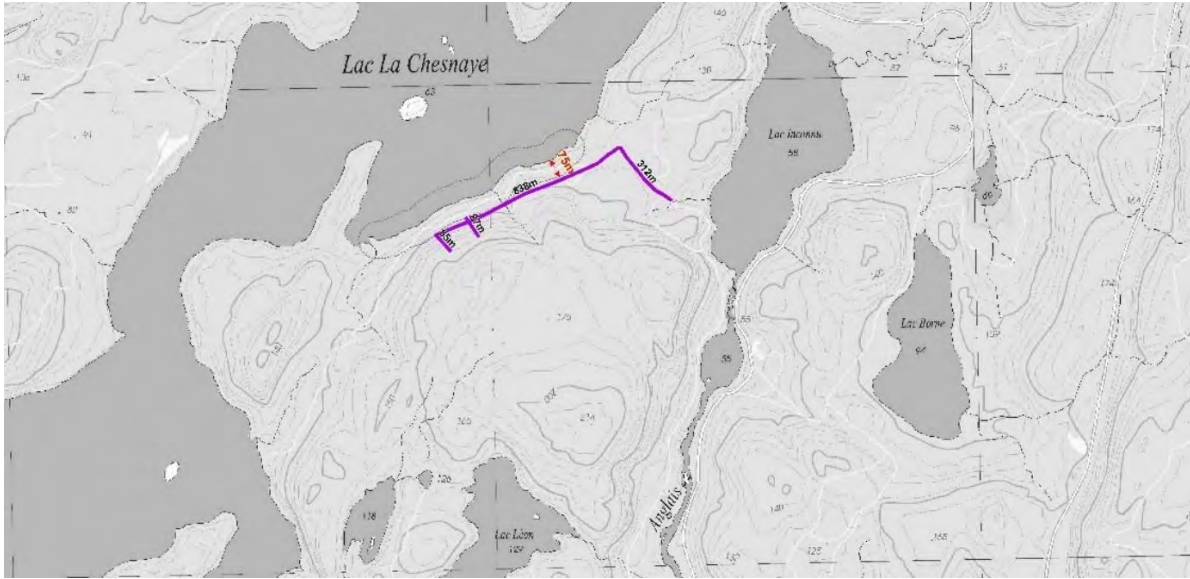


Figure 11: Proposed line cutting

Contour lines have been taken from Lidar survey done by Phb Company in November 2017 (see Figure 10).

4.3.5 Drilling

The drilling program was done mid-November 2017 (from the 15th until the 18th). Four short holes were drilled (Figure 13). Each drill core's length is around 0.3 meter for a total of 1.3 meter (BC 17-01, BC 17-02, BC 17-03 and BC 17-04) and 1.25 inch in diameter, see Table 7 for coordinates.

Table 7: Collars details

Name	UTM North (m)	UTM East (y)	Elevation (z)	Sample Type
BC17-01	560107	5463904	103	Drill Core
BC17-02	560128	5463890	113	Drill Core
BC17-03	560112	5463921	89	Drill Core
BC17-04	560066	5463904	99	Drill Core



Figure 13: Drill holes location, The La Chesnaye property

4.3.6 Sampling, Analysis and Data Verification

The extraction of the drill core took a lot of time. The manual drilling machine was not well adapted to the hardness of the deposit. Once the drilling core was extracted, the geologist took photos of the core, then the whole core was placed in a plastic bag adding a tag to ease identification and closed with a tie-wrap and sent back to the GoldMinds Geoservices (“GMG”) office in Québec City.

The core samples was then sent for assaying to ALS laboratory tested for 13 major elements (Al₂O₃, BaO, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SO₃, SiO₂, SrO, TiO₂) with XRF instrument.

From the Lac La Chesnaye property, a total of ten surface samples were taken. Four grab samples of around 25 kg each for metallurgical test and six smaller grab samples were also taken for grade and composition analysis. All samples were brought back to the office of GMG in Québec City. They were cleaned with a brush and water to remove organic particles and sent to the ALS laboratory in Val d’Or and to CTMP in Thetford Mines (Centre de Technologie Minérale de Plasturgie Inc.)

The surface samples sent to the ALS laboratory were pulverised and tested for 13 major elements (Al₂O₃, BaO, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SO₃, SiO₂, SrO, TiO₂) with XRF instrument. The samples sent to CTMP were heated to 1000° during 30 minutes for the decrepitation test.

Only few samples were gathered for less than two meters in total within the four manual drill holes. For that reason, no Quality Assurance/Quality Control program was put in place during the campaign.

The core sampling and the surface sampling, sample preparation, sample handling and transport all followed a protocol established by GMG that included a strict chain of custody from sampling to the laboratory.

Samples were sent to ALS laboratory and to CTMP in sealed containers. The authors believe that the sampling preparation, security, and analytical procedures used by the Company are consistent with generally accepted industry best practices and are therefore adequate to support the mineral potential estimation.

In accordance with the NI 43-101 guidelines, M. Rachidi, P. Geo., from GMG visited the property twice on September and November 2018. The second visit took place during active drilling and sampling. All aspects that could materially impact the integrity of the mineral potential database (sampling and database management) were verified while the visit to ascertain exploration procedures and protocols.

The visit is still current as no material change on exploration work has occurred since this last visit.

The 2017 exploration program at the Lac La Chesnaye property was established to verify the historical data on the property. GMG supervise the program and surface samples were all taken by M. Rachidi, P. Geo., during the site visit. Assay results for the verification samples confirmed the presence of SiO₂ that range between 93.52% and 99.13 % SiO₂.

4.3.7 Mineral Processing and Metallurgical Testing

Not applicable.

4.3.8 Mineral Resource Estimates

The historical database and the recent drilling program of 2017 supplied to GMG does not allow to estimate the mineral resources of the Lac La Chesnaye property. Some important data are missing, like a recent diamond drilling program to evaluate the distribution of the quartzite in depth and along the property.

Until the CME realises a diamond drilling campaign, GMG has estimated the mineral potential 1 of the La Chesnaye property using the historical data and the result of the recent sampling all presented under Section 24 "*Other Relevant Data and Information*" of the Technical Report.

4.3.9 Mineral Reserve Estimates

Not applicable.

4.3.10 Mining Methods

Not applicable.

4.3.11 Recovery Methods

Not applicable.

4.3.12 Project Infrastructure

Not applicable.

4.3.13 Market Studies and Contracts

Not applicable.

4.3.14 Environmental Studies, Permitting and Social or Community Impact

Not applicable.

4.3.15 Capital and Operating Costs

Not applicable.

4.3.16 Economic Analysis

Not applicable.

4.3.17 Exploration, Development, and Production and Recommendations

A diamond drilling campaign is needed on the Lac La Chesnaye site for a better understanding of the silica mineralization extensions at depth. To test the mineral potential of the Lac La Chesnaye, GMG propose the following:

- Before the start of the diamond drilling program GMG recommend a geological mapping at the Lac La Chesnaye site for a better understanding of the quartzite bands (thickness, orientation, etc.). A line cutting and a mechanical stripping if needed is also recommended. A total budget of around 25,000.00 CAD has to be dedicated for the geological mapping and line cutting or stripping;
- A diamond drilling program at the Lac La Chesnaye site, a total of 500 meters (100,000.00 CAD, all costs included) of drilling is recommended;
- All the drill holes have to be surveyed with a total station or differential GPS. Azimuth, dip and the length of each hole must be taken.
- It is recommended to carry density measurements on fresh cores during the next drilling program in order to monitor the density.
- Before the start of drilling, the Company has to set up a QA/QC control program using the standards, the blanks, the sample duplicate procedure and the laboratory standards.

Communication with local community, First Nation, MERN and MDDELCC to obtain authorizations for future works is recommended. Drilling recommendation is dependent of geological mapping success. The access is an important factor to consider and could prove difficult in an eventual operation.

4.4 Issuers with Oil and Gas Operations

Not applicable.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following table is a summary of selected annual financial information of QNB for the period from incorporation on October 19, 2020 to April 30, 2021, comprised of the statement of financial position, statement of changes in equity, statement of cash flows and notes to such statements, derived from the QNB Financial Statements which are filed on the Company's SEDAR profile.

	Year ended April 30, 2021 (audited)
Revenue	Nil
Net Income (Loss)	Nil
Basic and diluted earnings from continued operations (loss) per share	Nil
Total Assets	\$1
Total Liabilities	\$14,022

The Lac La Chesnaye Property forms the primary business of QNB. The Carve-Out Financial Statements related to the Lac La Chesnaye Property for the years ended July 31, 2020 and 2019 and the QNB Financial Statements for the year ended April 30, 2021 are included as Schedule "B" to this Listing Statement.

The QNB Financial Statements and the Carve-Out Financial Statements were prepared in accordance with International Financial Reporting Standards.

The following table sets out selected financial information in respect of the Lac La Chesnaye Property as at and for the years ended July 31, 2020 and 2019, and as at and QNB's year ended April 30, 2021, all of which is qualified by the more detailed information contained in the Carve-Out Financial Statements included as Schedule "B" to this Listing Statement.

Carve-Out Financials of CME Selected Financial Statement Information			
	As at July 31, 2019	As at July 31, 2020	As at April 30, 2021
Mineral property acquisition costs	\$428,153	\$428,153	\$428,153
Exploration and evaluation expenses	\$107,073	\$107,073	\$107,073

5.2 Quarterly Information

QNB was incorporated on October 19, 2020 and has not yet completed a financial year, therefore no quarterly information is available.

5.3 Dividends

QNB has not paid dividends since its incorporation. While there are no restrictions precluding QNB from paying dividends, it has no source of cash flow and anticipates using all available cash resources toward its stated business objectives. At present, the Company's policy is to retain earnings, if any, to finance its business operations. The Board of Directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position, financial requirements and other conditions existing at the relevant time.

5.4 Foreign GAAP

Not applicable.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 General

The following MD&A is as at the date of this Listing Statement relating to the financial information from the Company's incorporation on October 19, 2020 to April 30, 2021. It includes financial information from, and should be read in conjunction with, the QNB Financial Statements and the notes thereto, which are filed on the Company's SEDAR profile, as well as the disclosure contained throughout this Listing Statement and the Listing Statement. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

6.2 Overall Performance

QNB was incorporated on October 19, 2020. QNB's sole business focus has been to (i) acquire and operate the exploration of the Lac La Chesnaye and (ii) make an application to list the QNB Shares on the CSE. To that end, QNB has entered into the Arrangement Agreement and an asset purchase agreement with CME for the acquisition of the Spinout Assets. Other than the acquisition of the Lac La Chesnaye property, QNB has made no significant acquisitions or dispositions since incorporation.

Upon the completion of the Arrangement, QNB commenced exploration and, as warranted, development of the Lac La Chesnaye Property.

As of the date of this MD&A, QNB has available funds of approximately \$481,730, which management believes will be sufficient for all of the Company's needs in the first 12 months following listing on the CSE. See in this Listing Statement, "*Narrative Description of the Company's Business – General – Total Available Funds*" and "*Narrative Description of the Company's Business – General – Principal Purposes of Funds Available*". QNB may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources.

6.3 Selected Financial Information

The following table sets forth selected financial information with respect to QNB, which information has been derived from and should be read in conjunction with the QNB Financial Statements:

Income Statement Data	Period from incorporation on October 19, 2020 to year-ended April 30, 2021 (audited)
Revenue	\$Nil
Income or loss before discontinued operations and extraordinary items	\$Nil
Basic and diluted income or loss per common share	\$Nil
Net loss and comprehensive loss for the period	\$Nil

Balance Sheet Data	As at April 30, 2021 (audited)
Current assets	\$1
Total assets	\$1
Total liabilities	\$14,022
Shareholders' equity	\$(14,021)
Dividends per share	Nil

6.4 Variations

Other than the acquisition of the Lac La Chesnaye Property, QNB has made no significant acquisitions or dispositions since incorporation. See in this Listing Statement, “*General Development of The Company’s Business*”.

6.5 Result of Operations

6.5.1 Net Sales or Total Revenues

For the period from incorporation on October 19, 2020 to year-ended April 30, 2021, QNB had no revenues and had net operating loss of \$14,022.

6.5.2 Any other Significant Factors causing Changes in Net Sales or Total Revenues

This section is not applicable to QNB as QNB has had no revenues or expenses for the period from incorporation on October 19, 2020 to year-ended April 30, 2021.

6.5.3 Cost of Sales or Gross Profit

For the period from incorporation on October 19, 2020 to year-ended April 30, 2021, QNB had no revenues and had net operating loss of \$14,022.

6.5.4 Lac La Chesnaye Property

QNB has commenced exploration and, as warranted, development of the Lac La Chesnaye Property pursuant to the recommendations in the Technical Report.

Further details regarding the Lac La Chesnaye Property can be found at this Listing Statement, “*Narrative Description of the Company’s Business – General – Lac La Chesnaye Property*”.

6.5.5 Factors that Caused Change between Costs and Revenues

QNB was incorporated on October 19, 2020 and has not yet completed a financial year, therefore this information is not available.

6.5.6 Commitments, Events, Risks or Uncertainties

QNB presently has no contractual obligations other than as disclosed in the Listing Statement and pursuant to the agreements related to the Lac La Chesnaye Property.

See in this Listing Statement, “*Risks Factors*” for additional information, risks and uncertainties associated with QNB, its business and operations, and the QNB Shares. In addition, see in the Listing Statement, “*The CME Arrangement — Risks Associated with the CME Arrangement*”.

6.5.7 Effect of Inflation and Specific Price Changes on Revenues and on Loss

Not applicable.

6.5.8 Unusual or Infrequent Events or Transactions

Other than the Arrangement, QNB has not engaged in any unusual events or transactions from incorporation on October 19, 2020 to year-ended April 30, 2021.

6.6 Summary of Quarterly Results

QNB was incorporated on October 19, 2020 and has not yet completed a financial year, therefore no quarterly results are available.

6.7 Liquidity and Capital Resources

As at April 30, 2021, QNB had share capital of \$1 and working capital of \$(14,021).

As of the date of this MD&A, QNB has available funds of approximately \$481,730, which management estimates to be sufficient for all of the Company’s needs in the first 12 months following listing of the QNB, being sufficient funds: (i) for exploration of the Lac La Chesnaye Property and (ii) to cover a minimum 12 months of general and administrative expenses (estimated to be \$150,000 for the first 12 months of operations following completion of the Arrangement Agreement and the listing of the QNB Shares on the CSE). See in this Listing Statement, “*Narrative Description of the Company’s Business- General – Business of Exploration - Principal Purposes and Funds Available*”, “*Management’s Discussion and Analysis– Result of Operations– Commitments, Events, Risks or Uncertainties*” and “*Risk Factors*”.

6.8 Off-Balance Sheet Arrangements

QNB does not have any off-balance sheet arrangements.

6.9 Transactions with Related Parties

QNB was a party to the Arrangement Agreement and an asset purchase agreement with CME, pursuant to which QNB acquired the Spinout Assets and assumed the Spinout Liabilities (see in this Listing Statement, “*General Development of The Company’s Business*”, “*Promoters*” and “*Interests of Management and Other in Material Transactions*”).

6.10 **Fourth Quarter**

QNB was incorporated on October 19, 2020 and has not yet completed a financial year, therefore no quarterly information is available.

6.11 **Proposed Transactions**

As at the date of this MD&A, QNB does not have any proposed asset or business acquisitions or dispositions.

6.12 **Changes in Accounting Policies**

Not applicable.

6.13 **Financial Instruments and Other Instruments**

See Note 3 to the QNB Financial Statements for the year ended April 30, 2021.

6.14 **Interim MD&A**

QNB was incorporated on October 19, 2020 and has not yet completed a financial year, therefore no interim information is available.

6.15 **Additional Disclosure for Issuers without Significant Revenue**

6.15.1 Breakdown of Material Components

For information relating to capitalized or expensed exploration and development costs, expensed research and development costs, deferred development costs, general and administration expenses and any other material costs, please see the Carve-Out Financial Statements.

6.15.2 Analysis of Capitalized or Expensed Exploration on a Property-by-Property Basis

Please refer to the Carve-Out Financial Statements.

6.16 **Negative Cash-Flow**

QNB was incorporated on October 19, 2020 and has not yet completed a financial year, therefore this item is not applicable.

6.17 **Additional Disclosure for Issuers with Significant Equity Investees**

Not applicable.

7. **MARKET FOR SECURITIES**

The QNB Shares are listed on the CSE under the trading symbol "TIM".

8. **CONSOLIDATED CAPITALIZATION**

The following table sets out the share and loan capital of QNB. The table should be read in conjunction with the audited financial statements attached as Schedule "A" to this Listing Statement as well as with the

other disclosure contained in this Listing Statement and in the Listing Statement. See also in this Listing Statement, “*Description of Securities*” and “*Description of Securities - Prior Sales*”.

Capital	Authorized	Amount outstanding as of April 30, 2021 ⁽¹⁾	Amount outstanding as of the date of this Listing Statement
QNB Shares	Unlimited	100	9,299,961
QNB Warrants	Unlimited	Nil	2,500,000

⁽¹⁾ See in this Listing Statement, “*Description of Securities - Prior Sales*”. These shares were cancelled before the Effective Date.

9. OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

9.1 QNB Stock Options

9.1.1 QNB Option Plan

QNB has adopted and implemented the QNB Option Plan. The QNB Option Plan is a rolling stock option plan that sets the number of QNB Shares issuable under the QNB Option Plan at a maximum of 10% of the QNB Shares issued and outstanding at the time of any grant under the QNB Option Plan. The QNB Option Plan was approved by the CME Shareholders at the CME Meeting on July 27, 2021. As of the date of the Listing Statement, QNB has not granted any incentive stock options under the QNB Option Plan, or otherwise, nor has it issued any other rights or securities to purchase QNB Shares.

The QNB Board does not intend to grant any incentive stock options until such time following listing of the QNB Shares on the CSE that the trading price of the QNB Shares on the CSE has stabilized, such that a fair market value exercise price for options can be determined.

9.1.2 Summary of the QNB Option Plan

The QNB Option Plan reserves for issuance a maximum of 10% of the QNB Shares at the time of a grant of options under the QNB Option Plan. The QNB Option Plan is administered by the QNB Board and provides for grants of non-transferable options under the QNB Option Plan at the discretion of the QNB Board, to directors, officers, employees, management company employees of, or consultants to, QNB and its subsidiaries, or their permitted assigns (each an “**Eligible Person**”).

The exercise price of options granted under the QNB Option Plan is determined by the QNB Board. The exercise price must not be lower than the greater of the last closing market price for the QNB Shares as quoted on the CSE on (a) the market trading day immediately prior to the date of grant of the option, and (b) the date of grant of the option.

The term of any options granted under the QNB Option Plan will be fixed by the QNB Board and may not exceed ten years. Should an Eligible Person cease to qualify as an Eligible Person under the QNB Option Plan prior to expiry of the term of their respective options, those options will expire on a date to be determined by the Board which will not be later than the Expiry Date. If such cessation as an Eligible Person is on account of disability or death, the options expire within the lesser of one (1) year from the date of the Option Holder’s death or the Expiry Date of the Option, and if it is on account of termination of employment for just cause, the options terminate immediately.

The QNB Option Plan also provides for adjustments to outstanding options in the event of alteration in the capital structure of QNB, merger or amalgamation involving QNB or the Company's entering into a plan of arrangement. Moreover, upon a change of control, all options outstanding under the QNB Option Plan shall become immediately exercisable.

The directors of QNB may, at their discretion at the time of any grant, impose a schedule over which period of time options will vest and become exercisable by the optionee.

Subject to any required approval of the CSE, the QNB Board may terminate, suspend or amend the terms of the QNB Option Plan, provided that for certain amendments, the QNB Board must obtain shareholder approval.

9.2 Warrants

As of the date of this Listing Statement, QNB has 2,500,000 QNB Warrants outstanding for the purchase of up to an aggregate of 2,500,000 QNB Shares.

10. DESCRIPTION OF SECURITIES

10.1 Authorized Capital

The Company's authorized share capital consists of an unlimited number of each of the following classes of shares: Class A Common shares, Class B Common shares, Class C Common shares, Class A Special shares, Class B Special shares, Class C Special shares and Class D Special shares.

As at the date of the Listing Statement, 9,299,961 QNB Shares are issued and outstanding, nil Class B common shares are issued and outstanding, nil Class C common shares are issued and outstanding, nil Class A special shares are issued and outstanding, nil Class B special shares are issued and outstanding, nil Class C special shares are issued and outstanding and nil Class D special shares are issued and outstanding.

Class A Common shares (QNB Shares)

Holders of the QNB Shares shall be entitled to receive notice of, attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares (other than the QNB Shares) are entitled to vote. Each QNB Share shall entitle its holder to one (1) vote. Subject to the prior rights of the holders of the Class A Special, Class B Special, Class C Special and Class D Special shares, the holders of the QNB Shares, the Class B Common and Class C Common shares shall be entitled to receive the remaining property of QNB upon dissolution, on a pari passu basis.

As of the date of this Listing Statement, there are 9,299,961 issued and outstanding QNB Shares.

Class B Common shares

The Class B Common shares rank pari passu in all respects with the QNB Shares, save and except that subject to the provisions of the CBCA, the holders of the Class B Common shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

As of the date of this Listing Statement, there are nil issued and outstanding Class B Common shares.

Class C Common shares

The Class C Common shares rank *pari passu* in all respects with the QNB Shares and Class B Common shares, save and except that: (a) subject to the provisions of the CBCA, the holders of the Class C Common shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders; and (b) the directors shall not be obliged to declare dividends on the Class C Common shares when declaring dividends on the QNB Shares and Class B Common shares.

As of the date of this Listing Statement, there are nil issued and outstanding Class C Common shares.

Class A Special shares

The holders of the Class A Special shares shall be entitled to receive notice of, attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares (other than the Class A Special shares) are entitled to vote. Each Class A Special share shall entitle its holder to one (1) vote.

Save and except for such dividends or distributions as are expressly contemplated in the articles of QNB in respect of the Class A Special shares, the holders of the Class A Special shares shall not be entitled to further participation in any earnings or profits of QNB or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class A Special shares provided that the aggregate amount thereof shall not be greater than 8% of the aggregate redemption value of all issued and outstanding Class A Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class A Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

QNB may redeem any Class A Special share issued by it at a price equal to the redemption value thereof. At the time of payment of such redemption price, QNB shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of QNB, the holders of the Class A Special shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the QNB Shares, the Class B Common shares and the Class C Common shares.

As of the date of this Listing Statement, there are nil issued and outstanding Class A Special shares.

Class B Special shares

Subject to the provisions of the CBCA, the holders of the Class B Special shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated by the articles of QNB in respect of the Class B Special shares, the holders of the Class B Special shares shall not be entitled to further participation in any earnings or profits of QNB or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class B Special shares provided that the aggregate amount thereof shall not be greater than 10% of the aggregate redemption value of all issued and outstanding Class B Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class B Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

QNB may redeem any Class B Special share issued by it at a price equal to the redemption value thereof. At the time of payment of such redemption price, QNB shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of QNB, the holders of the Class B Special

shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the QNB Shares, the Class B Common shares, the Class C Common shares and the Class A Special shares.

As of the date of this Listing Statement, there are nil issued and outstanding Class B Special shares.

Class C Special shares

Subject to the provisions of the CBCA, the holders of the Class C Special shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated in the articles of QNB in respect of the Class C Special shares, the holders of the Class C Special shares shall not be entitled to further participation in any earnings or profits of QNB or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class C Special shares provided that the aggregate amount thereof shall not be greater than 9% of the aggregate redemption value of all issued and outstanding Class C Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class C Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

QNB may, and upon the demand of any holder thereof shall, redeem any Class C Special share issued by it at a price equal to the amount of the redemption value thereof. At the time of payment of such redemption price, QNB shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of QNB, the holders of the Class C Special shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the QNB Shares, the Class B Common shares, the Class C Common shares, the Class A Special shares and the Class B Special shares.

As of the date of this Listing Statement, there are nil issued and outstanding Class C Special shares.

Class D Special shares

Subject to the provisions of the CBCA, the holders of Class D Special shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated in the articles QNB in respect of the Class D Special shares, the holders of the Class D Special shares shall not be entitled to further participation in any earnings or profits of QNB or in the value of its assets. Monthly, non-cumulative dividends may be declared by the directors on the Class D Special shares provided that the aggregate amount thereof shall not be greater than 1% of the aggregate redemption value of all issued and outstanding Class D Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class D Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

QNB may, and upon the demand of any holder thereof shall, redeem any Class D Special share issued by it at a price per share equal to the redemption value thereof. At the time of payment of such redemption price, QNB shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of QNB, the holders of the Class D Special shares shall be entitled to receive an amount

per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of any other class of shares.

As of the date of this Listing Statement, there are nil issued and outstanding Class D Special shares.

10.1.1 Authorized Capital of CME

CME's authorized share capital consists of an unlimited number of common shares. As of the date of this Listing Statement, 73,309,794 shares were issued and outstanding.

10.2 QNB Warrants

As of the date of this Listing Statement, QNB has 2,500,000 QNB Warrants outstanding for the purchase of up to an aggregate of 2,500,000 QNB Shares.

10.3 QNB Stock Options

As of the date of the Listing Statement, QNB does not have any stock options outstanding.

QNB has adopted and implemented the QNB Option Plan (see in this Listing Statement, "*Options to Purchase Securities of QNB – QNB Stock Options – QNB Option Plan*"). The QNB Board does not intend to grant any incentive stock options until such time following listing of the QNB Shares on the CSE that the trading price of the QNB Shares has stabilized such that a fair market value exercise price for options can be determined. See in this Listing Statement, "*Options to Purchase Securities- QNB Option Plan*".

10.4 Prior Sales

On April 30, 2021, QNB issued 100 QNB Share to CME.

On September 9, 2021, 4,299,961 QNB Shares were issued pursuant to the terms of the Arrangement at a deemed price of \$0.10 per QNB Share.

On July 30, 2021, 5,000,000 QNB Shares and 2,500,000 QNB Warrants were issued pursuant to the QNB Financing at \$0.10 per QNB Unit.

On December 18, 2020, CME announced that all outstanding debentures have been substituted for new debentures in the same principal amount of \$1.675 million. The new debentures have an issue price of \$1,000 per new debentures, mature on March 31, 2025, bear interest at 3% per annum, payable on March 31 of each year, which interest may, at the option of CME be settled in common shares. The principal amount of the new debentures can be convertible into common shares of the Company at the price of \$0.40 per conversion share.

On December 21, 2020, CME completed its previously announced non-brokered private placement pursuant to which it has issued 4,375,000 units at a price of \$0.08 per unit for total proceeds of \$350,000. Each unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional share for a period of 24 months from the closing date at an exercise price of \$0.15 per share.

On February 22, 2021, CME completed a non-brokered private placement pursuant to which it has issued an aggregate of 25,350,000 units at a price of \$0.08 per unit for gross proceeds of \$2,028,000. Each unit is comprised of one common share and one-half of one non-transferable share purchase warrant. Each whole

warrant will entitle the holder to purchase one additional common share for a period of 24 months following the closing date at an exercise price of \$0.15.

10.5 Listing of QNB Shares

The QNB Shares are listed on the CSE under the trading symbol “TIM”.

QNB does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the TSX, a U.S. marketplace, or a marketplace outside Canada and the United States of America.

See in this Listing Statement, “*Risk Factors*”.

11. ESCROWED SECURITIES

The principals of QNB are subject to escrow pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* (“NP 46-201”). The CSE imposes NP 46-201 escrow requirements on completion of transactions such as the Arrangement.

In accordance with NP 46-201, all securities of an issuer that are owned or controlled by its principals (or spouses of its principals) are escrowed at the time of the issuer’s initial public offering, or in this case the completion of the Arrangement, unless the securities held by the principals, or issuable to the principals upon conversion of convertible securities held by the principals, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the offering or transaction.

Uniform terms of automatic timed-release escrow apply to principals of exchange-listed issuers, differing only according to the classification of the issuer. QNB is classified as an “emerging issuer” for the purposes of NP 46-201, and the following automatic timed releases apply to the securities held by its principals:

Date	% of Escrowed Securities Released
The Listing Date	1/10 of the escrowed securities
On the date 6 months following the Listing Date	1/6 of the remaining escrowed securities
On the date 12 months following the Listing Date	1/5 of the remaining escrowed securities
On the date 18 months following the Listing Date	1/4 of the remaining escrowed securities
On the date 24 months following the Listing Date	1/3 of the remaining escrowed securities
On the date 30 months following the Listing Date	1/2 of the remaining escrowed securities
On the date 36 months following the Listing Date	The remaining escrowed securities

A total of 2,283,666 QNB Shares have been deposited into escrow pursuant to the terms of an escrow agreement entered into by QNB, the escrowed shareholder and the Company’s transfer agent, as the escrow agent (the “**Escrow Agreement**”):

Name and Position of Escrow Holder	Number of Escrowed Securities	Percentage of Class ⁽¹⁾
Stephane Leblanc	2,096,415 ⁽²⁾	22.54%
Michel Gagnon	72,627 ⁽³⁾	0.78%
Maxime Lemieux	114,624	1.23%
Total	2,283,666 QNB Shares	24.56% ⁽¹⁾

(1) Based on 9,299,961 QNB Shares issued and outstanding.

(2) Of those, 233,636 QNB Shares are registered under the name of Stephane Leblanc, and 1,862,779 QNB Shares are registered under 9248-7792 Quebec Inc., an entity owned and controlled by Stephane Leblanc.

(3) Of those, 27,701 QNB Shares are registered under the name of Michel Gagnon and 44,926 QNB Shares are registered under Vega Capital Inc., an entity owned and controlled by Michel Gagnon.

Pursuant to the terms of the Escrow Agreement, the QNB Shares held in escrow may be transferred within escrow to an individual who is a director or senior officer of QNB or of a material operating subsidiary of QNB, subject to the approval of the Board, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of QNB or of any of its material operating subsidiaries.

Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

The Escrow Agreement also provides that escrowed securities can be transferred within escrow to a financial institution on the realization of escrowed securities pledged, mortgaged or charged by the holder of such escrowed securities to the financial institution as collateral for a loan. Pursuant to the terms of the Escrow Agreement, escrowed securities may also be transferred within escrow to or between registered retirement savings plans, registered retirement income funds or other similar registered plans or funds with a trustee, where the annuitant of such plans or funds, or the beneficiaries of the other registered plan or funds are limited to the holder and his or her spouse, children and parents, or in the case of a trustee of such a registered plan or fund, to the annuitant of the registered plan or fund, or a beneficiary of the registered plan or fund, as applicable, or his or her spouse, children and parents.

Pursuant to the terms of the Escrow Agreement, 10% of the principal's escrowed securities (a total of 228,366 QNB Shares) will be released from escrow on the date the QNB Shares are listed on the CSE (the "**Listing Date**"). The remaining 2,055,299 QNB Shares which will be held in escrow immediately following the Listing Date will represent 22.10% of the QNB Shares anticipated to be issued and outstanding at the Listing Date.

12. PRINCIPAL SHAREHOLDERS

As of the date of the Listing Statement, except as set out below, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the issued and outstanding QNB Shares:

Name of Principal Shareholder	Number of QNB Shares	Method of Ownership (Record and/or Beneficially)	Percentages of Shares ⁽¹⁾
Stephane Leblanc	2,096,415 ⁽²⁾	Record and Beneficially	22.54%

Notes:

- (1) Based on a total of 9,299,961 issued and outstanding QNB Shares, on a non-diluted basis.
- (2) Includes: (i) 233,636 QNB Shares held by Stephane Leblanc and (ii) 1,862,779 QNB Shares held by 9248-7792 Quebec Inc., a company controlled by Mr. Leblanc.

13. DIRECTORS AND OFFICERS

13.1 Directors and Executive Officers of QNB

As at the date of the Listing Statement, the names, place of residence, positions, offices and principal occupations of the directors and officers of QNB are as follows:

Name and place of residence	Principal occupation	Number and Percentage of QNB Shares owned ⁽²⁾	Date of appointment as director or officer of QNB
Stephane Leblanc⁽¹⁾ <i>Montreal, QC</i> President and CEO and Chairman of the Board	President and CEO of Canadian Metals Inc. (September 2013 to present)	2,096,415 ⁽³⁾ 22.54%	April 30, 2021
Michel Gagnon⁽¹⁾ <i>Wentworth, QC</i> Director	Chairman and CEO of Alliance Magnesium Inc.	72,627 ⁽⁴⁾ 0.78%	April 30, 2021
Maxime Lemieux⁽¹⁾ <i>Montreal, QC</i> Director	Counsel of McMillan LLP	114,624 1.23%	April 30, 2021
Arnab De <i>Montreal, QC</i> Chief Financial Officer	Principal of Resurgent Montreal Inc.	0	August 4, 2021

Notes:

- (1) Member of the Audit Committee.
- (2) Based on a total of 9,299,961 issued and outstanding QNB Shares, on a non-diluted basis.
- (3) Of those, 233,636 shares are registered under the name of Stephane Leblanc and 1,862,779 registered under 9248-7792 Quebec Inc.

- (4) Of those, 27,701 shares are registered under the name of Michel Gagnon and 44,926 shares registered under Vega Capital Inc., an entity owned and controlled by Michel Gagnon.

13.2 **Period of Service of Directors**

The current and proposed directors of QNB will be elected annually at each annual general meeting of the QNB shareholders and will hold office until the next annual general meeting unless a director's office is earlier vacated in accordance with the constating documents of QNB or he or she becomes disqualified to serve as a director.

13.3 **Directors' and Officers' Common Share Ownership**

The directors and executive officers of QNB as a group, beneficially own, directly or indirectly, or control or direct, 2,283,667 QNB Shares, or approximately 24.56% of the QNB Shares issued and outstanding as of the date of this Listing Statement on a non-diluted basis.

13.4 **Board Committees**

13.4.1 **Audit Committee**

The Audit Committee consists of Stephane Leblanc, Michel Gagnon and Maxime Lemieux, each of whom is a director and financially literate in accordance with NI 52-110. Michel Gagnon and Maxime Lemieux are considered to be independent as defined under NI 52-110. Stephane Leblanc is the President and CEO of QNB and is considered not to be independent as defined under NI 52-110. Michel Gagnon is the Chair of the Audit Committee.

QNB's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of QNB's Audit Committee will be to assist QNB's Board in discharging the oversight of:

- the integrity of QNB's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- QNB's compliance with legal and regulatory requirements;
- QNB's external auditors' qualifications and independence;
- the work and performance of QNB's financial management and its external auditors; and
- QNB's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board.
- It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about QNB as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for QNB's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

QNB is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

The Board of Directors may from time to time establish additional committees.

13.5 Principal Occupation of Directors and Executive Officers

Information on directors’ and executive officers’ principal occupation is set out in section 13.11 – Management Details.

13.6 Cease Trade Orders and Bankruptcies

No proposed director or officer of the QNB or a shareholder holding a sufficient number of securities of the QNB to affect materially the control of QNB, is, or within 10 years before the date hereof has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

The foregoing has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of QNB to affect materially control of QNB.

13.7 Penalties or Sanctions

No proposed director or executive officer of QNB, or a shareholder holding a sufficient number of the Company’s securities to affect materially the control of QNB, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

The foregoing has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of QNB to affect materially control of QNB.

13.8 Settlement Agreements

Not applicable.

13.9 Personal Bankruptcies

No director or officer of QNB, or a shareholder holding sufficient securities of QNB to affect materially the control of QNB, or a personal holding company of any such persons has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 Potential Conflicts of Interest

Certain directors and officers of QNB are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties, including CME. Such associations to other public companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of QNB may not be made available to QNB, but rather may be offered to a company with competing interests. The directors and senior officers of QNB are required by law to act honestly and in good faith with a view to the best interests of QNB and to disclose any personal interest which they may have in any project or opportunity of QNB, and to abstain from voting on such matters.

The directors and officers of QNB are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and QNB will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

13.11 Management Details

The following sets out details of the directors and officers of QNB:

Stephane Leblanc – President and CEO and Chairman of the Board, Age 40

Mr. Leblanc is an entrepreneur with over 16 years of experience. He has been involved in all aspects of business from sales and marketing, public relations, communications, and corporate finance; and has specific experience in strategic advisory services, mergers and acquisitions, raising private capital, savings (Initial Public Offerings and RTO), listing on the Toronto Stock Exchange, Canadian Stock Exchange, OTC and other international exchanges.

Mr. Leblanc has participated in the success of many small-cap companies as VP of business under his personal holding company. Mr. Leblanc is an entrepreneur at heart, and is involved in many other projects, including the “Québec Mineral Properties”, a mining claims management company that owns more than 6000 claims within the province of Quebec, South America and Africa. Mr. Leblanc also collaborated with several companies: Pershimco Resources, Focus Graphite, Adventure Gold, Glen Eagle Resources, Vision Lithium, Puma Exploration, Knick Exploration, Active Growth Capital and several other companies for the sale of properties. Mr. Leblanc will devote 50% of his working time to perform the work required in connection with the management of QNB.

Arnab De – Chief Financial Officer, Age 50

Mr. De, CPA, CGMA, CMA, MBA, is a seasoned mining executive with nearly 20 years' experience in financial management, mine financial planning, business optimization and strategy development. He is the principal of Resurgent Montreal Inc., a financial management consulting firm. Prior to that he served Tata Steel for 19 years, last occupying the position of CFO at JCAPCPL (a 50:50 JV of Tata Steel with Nippon Steel) producing automotive steels. Prior to that, he was appointed as the CFO for Tata Steel Minerals Canada in 2011, where he oversaw the DSO project from conception and gained +\$1.3B in investment funding. Mr. De will devote 50% of this working time to perform the work required in connection with the management of QNB.

Michel Gagnon – Director, Age 57

Mr. Gagnon is Chairman of the Board and CEO of Alliance Magnesium Inc. since November 2017. Alliance is a privately-owned Canadian company who has developed technology to process magnesium contained in serpentine rock. Alliance plans to invest a total of \$600 million to build a full-scale magnesium metal production plant with a production capacity of 50,000 tons/year. The project calls for the commissioning of a pre-commercial plant of 11 700 million tonnes and a full commercial-sized plant of 50 000 million tonnes. Previously, Mr. Gagnon was the Vice-President Finance and Business Development as well as Corporate Secretary of Aluminerie Alouette, the largest smelter in the Americas. A Business Graduate from the University of Québec in Montréal, Mr. Gagnon is also a member of the Institute of Corporate Directors and serves on several boards. Mr. Gagnon was awarded CFO of the year in 2012 by the Financial Executive Institute for the private enterprise in Québec. Mr. Gagnon will devote 50% of his working time to perform the work required in connection with the management of QNB.

Maxime Lemieux – Director, Age 43

Mr. Lemieux, counsel in the National Capital Markets and M&A Group at McMillan LLP, has 15 years of experience in securities law. His practice is focused on securities, corporate finance, and mergers and acquisitions matters. Representing both issuers and investment dealers, Mr. Lemieux has experience in private and public debt and equity offerings. He has also acted as lead counsel in a number of private and public merger and acquisition transactions and corporate reorganization, as well as a variety of negotiated transactions, including reverse take-over, exempt take-over bids and proxy contests. He also sits on the board of several public companies. Admitted to the Québec Bar in 2006, Mr. Lemieux also has an MBA. Mr. Lemieux will devote 50% of his working time to perform the work required in connection with the management of QNB.

14. CAPITALIZATION

QNB issued capital consists of 9,299,961 QNB Shares.

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	9,299,961	11,799,961	100%	100%

Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	3,413,507	4,308,507	36.7%	36.5%
Total Public Float (A-B)	5,886,454	7,491,454	63.3%	63.5%
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	5,000,000	7,500,000	53.8%	80.6%
Total Tradeable Float (A-C)	4,299,961	4,299,961	46.2%	36.4%

Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	6	1,340
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0

2,000 – 2,999 securities	1	2,932
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	25	3,436,611
TOTAL	32	3,440,883

Public Securityholders (Beneficial)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	176	6,164
100 – 499 securities	133	30,729
500 – 999 securities	52	38,297
1,000 – 1,999 securities	28	38,059
2,000 – 2,999 securities	17	44,679
3,000 – 3,999 securities	5	16,725
4,000 – 4,999 securities	4	17,740
5,000 or more securities	53	3,936,251
Unable to confirm	1 (CDS&Co.)	1,757,810
TOTAL	467	5,886,493

Non-Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	11	3,413,507
TOTAL	11	3,413,507

Securities Convertible or Exchangeable into Any Class of Listed Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants	2,500,000	2,500,000 QNB Shares

15. EXECUTIVE COMPENSATION

15.1 Compensation of Executive Officers

QNB does not have a Compensation Committee at this time.

15.2 Long-Term Incentive Plan

QNB does not have any long-term incentive plans.

15.3 Option-based Awards

As of the date of this Listing Statement, QNB does not have any options outstanding.

15.4 Pension Plan Benefits

QNB does not have defined benefit or defined contribution plans.

15.5 Director Compensation

It is anticipated that QNB will pay cash compensation to its directors in amounts paid to directors of comparable publicly traded Canadian companies for services rendered in their capacity as directors.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of QNB, a proposed nominee for election as a director of QNB, and each associate of any such director, executive officer or proposed nominee: (a) is, or at any time since the beginning of the most recently completed financial year of QNB has been indebted to QNB or any of its subsidiaries or (b) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by QNB or any of its subsidiaries.

17. RISK FACTORS

An investment in QNB Shares, as well as the Company's prospects, are highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of QNB may lose their entire investment. The risks described below are not the only ones facing QNB. Additional risks not currently known to QNB, or that QNB currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

CME Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in QNB. In evaluating QNB and its business and whether to vote in favour of the Arrangement, CME Shareholders should carefully consider, in addition to the other information contained in the Listing Statement and the risk factors which follow, as well as the risks associated with the Arrangement (see in the Listing Statement "*The CME Arrangement — Risks Associated with the CME Arrangement*"). These risk factors may not be a definitive list of all risk factors associated with the Arrangement, an investment in QNB or in connection with the Company's business and operations.

Qualification under the *Tax Act* for a Registered Plan

If the QNB Shares are not listed on a designated stock exchange in Canada before the due date for the Company's first income tax return or if QNB does not otherwise satisfy the conditions in the *Tax Act* to be a "public corporation", the QNB Shares will not be considered to be a qualified investment for a Registered Plan (as defined in the *Tax Act*) from their date of issue. Where a Registered Plan acquires a QNB Share in circumstances where the QNB Share is not a qualified investment under the *Tax Act* for the Registered Plan,

adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Business History

QNB has a short history of operations and has no history of earnings. The likelihood of success of QNB must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. QNB has limited financial resources and there is no assurance that funding will be available to it when needed. There is also no assurance that QNB can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Public Health Crisis

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020, the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. Over the past several months, there were a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has also caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary and a number of jurisdictions, including in Canada and the United States, have started to lift certain COVID-19 related restrictions, the duration of the various disruptions to businesses locally and internationally and related financial impact cannot be reasonably estimated at this time.

Public health crises such as COVID-19 can result in volatility and disruptions in the supply and demand for gold, silver and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to QNB of such public health crises also include the risk that there may be a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

While the impact of the COVID-19 pandemic is not expected to last indefinitely, the circumstances relating to the pandemic are dynamic and its impacts on the Company's business operations cannot be reasonably estimated at this time. However, it is not expected that the COVID-19 pandemic will have a material adverse impact on the Company's business, results of operations, financial position and cash flows going forward, particularly seeing as the government has decreed that mining is an essential service.

Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which

environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at the QNB mineral properties do not exist.

Acquisitions and Joint Ventures

QNB will evaluate from time to time opportunities to acquire and joint venture mining assets and businesses. These acquisitions and joint ventures may be significant in size, may change the scale of the Company's business and may expose it to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of QNB. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of QNB through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that QNB would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Additional Financing and Dilution

QNB plans to focus on exploring for minerals and will use its working capital to carry out such exploration. However, QNB will require additional funds to further such activities. To obtain such funds, QNB may sell additional securities including, but not limited to, its common shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of the Company's shareholders.

QNB has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. QNB provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Lac La Chesnaye Property with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. QNB provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of the Lac La Chesnaye Property.

No Mineral Resources and no Mineral Reserves have been estimated at Lac La Chesnaye Property

The Lac La Chesnaye Property is in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance given by QNB that continuing work on the Lac La Chesnaye Property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

No History of Mineral Production or Mining Operations

QNB has never had a producing property. There is no assurance that commercial quantities of silver, gold or ore will be discovered nor is there any assurance that the Company's exploration program will yield positive results. Even if commercial quantities of gold or ore are discovered, there can be no assurance that any property, including the Lac La Chesnaye Property, will ever be brought to a stage where silver or gold resources can profitably be produced therefrom. Factors which may limit the ability to produce silver or gold resources include, but are not limited to, the price of silver and gold, availability of additional capital and financing and the nature of any mineral deposits. QNB does not have a history of mining operations that would guarantee it will produce revenue, operate profitably or provide a return on investment in the future. QNB has not paid dividends in the past and QNB does not have any plans to pay dividends in the foreseeable future.

Economics of Developing Mineral Properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) silver and gold prices; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

The ability to sell, and profit from the sale of any eventual mineral production from any property will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long term viability of QNB and its operations.

Factors Beyond the Control of QNB

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways QNB

cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of QNB.

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Lac La Chesnaye Property can be mined at a profit. Factors beyond the control of QNB may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, international investment patterns, national fiscal policies, monetary systems, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Company's principal exploration targets, silver and gold, is affected by various factors, including political events, economic conditions and production costs. The price of gold, silver and other metals has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations. Moreover, the ability of QNB to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious and other metals. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy.

The Company's proposed operations will require access to adequate infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

QNB currently depends on a single property

The Company's only material mineral property is the Lac La Chesnaye Property. Unless QNB acquires or develops additional material properties or projects, QNB will be solely dependent upon the operation of the Lac La Chesnaye Property for its revenue and profits, if any. If QNB loses or abandons its interest in the Lac La Chesnaye Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the CSE. There is also no guarantee that the CSE will approve the acquisition of any additional properties by QNB, whether by way of option or otherwise, should QNB wish to acquire any additional properties.

Regulatory Requirements

The current or future operations of QNB, including development activities and possible commencement of production on its properties, requires permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. QNB will require licenses and permits from various governmental and non-governmental authorities for its operations. QNB has obtained, or plans to obtain all necessary licenses and permits required carrying on

the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that all permits which QNB may require for the development and construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which QNB might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments or changes to current laws, regulations government policies and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on QNB and cause increases in costs or require abandonment or delays in the development of new mining properties.

Insurance

The Company's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive necessary regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. QNB may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to QNB.

Current Global Financial Condition

QNB will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. Access to financing has been negatively affected by these economic uncertainties. These factors may affect the ability of QNB to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to QNB. If these increased levels of volatility and market turmoil continue, QNB may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of QNB, shareholders may suffer dilution. Future borrowings by QNB or its subsidiaries may increase the level of financial and interest rate risk to QNB as QNB will be required to service future indebtedness.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require

stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties which are unknown to QNB at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

QNB is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. QNB will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if QNB becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds QNB has to pay such liabilities and result in bankruptcy. Should QNB be unable to fund fully the remedial cost of an environmental problem, QNB might be required to enter into interim compliance measures pending completion of the required remedy.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which QNB holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of QNB.

No Assurance of Title to Property

There may be challenges to title to the mineral properties in which QNB holds a material interest. If there are title defects with respect to any properties, QNB might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

Dependence on Key Individuals

QNB is and will be dependent on a relatively small number of key personnel, particularly Nader Vatanchi, its CEO, and Abbey Abdiye, its CFO, the loss of any one of whom could have an adverse effect on QNB. At this time, QNB does not maintain key-person insurance on the lives of any of its key personnel.

In addition, QNB is highly dependent upon contractors and third parties in the performance of its exploration and development activities. QNB provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of QNB or be available upon commercially acceptable terms.

Risk of Amendments to Laws

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on QNB and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Conflicts of Interest

Some of the directors and officers of QNB are directors and officers of other companies, some of which are in the same business as QNB. Some of the Company's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with QNB. The Company's directors and officers are required by law to act in the best interests of QNB. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to QNB may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose QNB to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of QNB. Such conflicting legal obligations may expose QNB to liability to others and impair its ability to achieve its business objectives.

Influence of Third Party Stakeholders

The lands in which QNB holds an interest, or the exploration equipment and roads or other means of access which QNB intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for QNB.

Fluctuation in Market Value of QNB Shares

The market price of the QNB Shares, as a publicly traded stock, can be affected by many variables not directly related to the corporate performance of QNB, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of QNB Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of QNB Shares.

Currency Risk

Currency fluctuations may affect the cash flow which QNB may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn in the world economies has driven the commodities prices much lower which has made raising capital more difficult than past years.

Substantial Number of Authorized but Unissued QNB Shares

QNB has an unlimited number of common shares which may be issued by the QNB Board without further action or approval of the Company's shareholders. While the QNB Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, QNB Shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

See also in the Listing Statement, "*The CME Arrangement — Risks Associated with the CME Arrangement*".

18. PROMOTERS

CME took the initiative of founding and organizing QNB and its business and operations and, as such, may be considered to be the promoter of QNB for the purposes of applicable securities legislation. At the Effective Date, CME was the sole (100%) shareholder of QNB and had transferred the Spinout Assets to QNB to hold and operate as contemplated by the terms of the Arrangement. See in this Listing Statement, "*General Development of The Company's Business—General — Material Properties*" and "*Description of Securities — Prior Sales*". See also in the Listing Statement, "*The CME Arrangement — The CME Arrangement*", "*The CME Arrangement — Reasons for the CME Arrangement*".

The claims comprising the Lac La Chesnaye Property have associated costs as reflected in the Carve-Out Financial Statements attached as Schedule "B" to the Listing Statement.

During the 10 years prior to the date of the Listing Statement, CME has not been subject to:

- (a) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days; nor has CME been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; nor has CME become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold its assets.

19. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

19.1 Legal Proceedings

QNB is not aware of any material legal proceedings to which QNB or a proposed subsidiary is a party or to which the Lac La Chesnaye Property are subject, nor is QNB aware that any such proceedings are contemplated.

19.2 Regulatory Actions

There are currently no: (a) penalties or sanctions imposed against QNB by a court relating to securities legislation or by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against QNB that would likely be considered important to a reasonable investor in making an investment decision in QNB; and (c) settlement agreements QNB entered into before a court relating to securities legislation or with a securities regulatory authority since QNB was incorporated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since the Company's incorporation, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding QNB Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect QNB other than CME in connection with the Company's incorporation (see in this Listing Statement, "*Corporate Structure*" and "*Promoters*"), the entering into of the Arrangement Agreement (see in the Listing Statement, "*The CME Arrangement -The CME Arrangement*"), and the transfer of assets to QNB in connection with the Arrangement (see in this Listing Statement, "*Introduction – Structure of the Transaction*" and "*General Development of The Company's Business*"). See also in this Listing Statement, "*Material Contracts*" below.

The prior directors and officers of CME are also the directors and officers of QNB. See in the Listing Statement under the heading "*The CME Arrangement – Background to the CME Arrangement*", "*The CME Arrangement – Recommendation of the Explore Board*", "*The CME Arrangement – Reasons for the CME Arrangement*".

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditor

The auditor of QNB is MNP LLP, Chartered Professional Accountants of Montreal, Quebec, who have been the Company's auditor since incorporation.

21.2 Transfer Agent and Registrar

The registrar and transfer agent of QNB and for the QNB Shares is Computershare Investor Services Inc., located at 1500 Boulevard Robert-Bourassa, Montréal, Quebec.

22. MATERIAL CONTRACTS

QNB acquired CME's interest in the Lac La Chesnaye Property by way of the Arrangement Agreement filed on the Company's SEDAR profile at www.sedar.com.

23. INTEREST OF EXPERTS

MNP LLP, Chartered Professional Accountants, the auditor of QNB, has confirmed that it is independent with respect to QNB within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Quebec.

Certain legal matters relating to the Arrangement and QNB were passed upon by McMillan LLP of Montreal, Quebec, legal counsel to QNB.

The disclosure with respect to the Lac La Chesnaye Property in this Listing Statement is based on the Technical Report prepared by Merouane Rachidi, P. Geo. and Claude Duplessis, P. Eng.

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Arrangement a direct or indirect interest in a property of QNB or any associate or affiliate of QNB, nor is currently expected to be elected, appointed or employed as a director, officer or employee of QNB or any associate or affiliate of QNB.

24. OTHER MATERIAL FACTS

There are no other material facts other than as disclosed in the preceding items and that are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to QNB and its securities.

25. FINANCIAL STATEMENTS

25.1 Financial Statements

A copy of the QNB Financial Statements are attached to the Listing Statement as Schedule "A" and the Carve-out Financial Statements are attached to the Listing Statement as Schedule "B".

25.2 Re-Qualifying Issuer

Not applicable.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, QNB Metals Inc. hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to QNB Metals Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Montreal, Quebec, Canada this 9th day of September, 2021

"Stephane Leblanc"

Stephane Leblanc, President and Chief Executive Officer

"Arnab De"

Arnab De, Chief Financial Officer

"Stephane Leblanc"

Stephane Leblanc, President and Chief Executive Officer of Canadian Metals Inc., Promoter

"Maxime Lemieux"

Maxime Lemieux, Director

"Michel Gagnon"

Michel Gagnon, Director

SCHEDULE "A"
QNB FINANCIAL STATEMENTS

QNB METALS INC.

**Financial Statements
(Expressed in Canadian Dollars)**

As at and for the period from incorporation on October 19, 2020 to April 30, 2021

To the Shareholders of QNB Metals Inc.:

Opinion

We have audited the financial statements of QNB Metals Inc. (the "Company"), which comprise the statement of financial position as at April 30, 2021, and the statements of net loss and comprehensive loss, changes in shareholder's equity and cash flow for the period from the date of incorporation on October 19, 2020 to April 30, 2021, and 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 April 30, 2021, and its financial performance and its cash flow for the period from the date of incorporation on October 19, 2020 to April 30, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 depends upon its ability to obtain financing to fund its operation. 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.

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 International Financial Reporting Standards, 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Anand Beejan.

Montréal, Québec

June 23, 2021

MNP SENCRL, s.r.l.¹

¹ CPA auditor, CA, public accountancy permit no. A126822

QNB METALS INC.

Statement of Financial Position

(Expressed in Canadian Dollars)

As at

	April 30, 2021
	\$
Assets	
Current:	
Cash	1
Total assets	1
Liabilities	
Current:	
Trade accounts payable and accrued liabilities	14,022
Total liabilities	14,022
Shareholder's equity	
Share capital (note 4)	1
Deficit	(14,022)
Total equity	(14,021)
Total liabilities and shareholder's equity	1

Nature and continuance of operation and going concern (Note 1)

On behalf of the Board of Directors,

(S) Stéphane Leblanc
Chief Executive Officer/Director

(S) Michel Gagnon
Director

The accompanying notes are an integral part of these financial statements

QNB METALS INC.

Statement of Net loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

	\$
Expenses	
Professional fees	14,022
<hr/>	
Net Loss and Comprehensive Loss for the period	14,022
<hr/>	
Loss per Share	
Basic and diluted loss per share	140.22
<hr/>	
Weighted average number of common shares outstanding	100
<hr/>	

The accompanying notes are an integral part of these financial statements.

QNB METALS INC.

Statement of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

	Numbers of Common Shares	Share capital \$	Deficit \$	Total \$
Balance, October 19, 2020	-	-	-	-
Shares issued for cash on incorporation	100	1	-	1
Loss and comprehensive loss for the period	-	-	(14,022)	(14,022)
Balance, April 30, 2021	100	1	(14,022)	(14,021)

The accompanying notes are an integral part of these financial statements.

QNB METALS INC.

Statement of Cash Flows

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

	2021
	\$
Operating activity:	
Net loss	(14,022)
Operating activity before change in working capital item	(14,022)
Change in trade accounts payable and accrued liabilities	14,022
Cash flows from operating activities	-
Financing Activity:	
Shares issued for cash	1
Net change in cash for the period	1
Cash, beginning of the period	-
Cash, end of the period	1

The accompanying notes are an integral part of these financial statements.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

QNB Metals Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on October 19, 2020. The Company was incorporated as the target company for certain assets that are to be spun out from Canadian Metals Inc. (“CME”). The Company is a wholly owned subsidiary of CME. The address of its head office, which is also the main establishment, is located at 866 3e Avenue, Val-d’Or, Quebec, Canada, J9P 1T1.

CME plans to complete a Plan of Arrangement under the Canada Business Corporations Act with the Company, whereby CME’s Lac La Chesnaye Property will be spun out to the Company in accordance with the Plan of Arrangement. Shareholders of CME will exchange all of the existing issued and outstanding CME common shares for the same number of new common shares of the Company. An aggregate of 4,300,000 common will be exchanged and the Company will apply to be listed on the Canadian Securities Exchange.

The completion of the Plan of Arrangement is subject to the satisfaction of various conditions including but not limited to: (i) the completion of a concurrent financing for a minimum of 5,000,000 units at a price of \$0.10 per unit for gross proceeds \$500,000 and a maximum of 15,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,500,000. Each unit will be comprised of one new common share and one-half of one new common share purchase warrant entitling the holder to purchase one new common share at an exercise price of \$0.18 for a period of 24 months; and (ii) receipt of all requisite regulatory, CSE, court or governmental authorizations and third-party approvals or consents.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its operations, its projects and continued support of suppliers and creditors. The Company’s ability to raise enough financing to meet these objectives cannot be determined at this time. The Company’s business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. These material uncertainties may cast significant doubt regarding the Company’s ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

The Board of Directors approved the audited financial statements for issue on June 23, 2021.

2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Standards Interpretation Committee (“IFRIC”).

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Classification:

Financial Assets/Liabilities	Classification
Cash	Financial Asset at amortized cost
Accounts payable and accrued liabilities	Financial Liabilities at amortized cost

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period. The Company has classified its cash as fair value through profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) 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:

Financial liabilities at FVTPL: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Financial liabilities at amortized cost: This category includes trade accounts payable and accrued liabilities which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

b) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable relating to previous periods.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

c) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the same period.

Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Significant judgments, estimates and assumptions

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 1 for further information.

4. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

As at April 30, 2021, the Company issued one hundred common shares at a price of \$0.01.

5. INCOME TAXES

Income tax recovery differs from the amount that would be computed by applying Canadian statutory income tax rate of 26.6% to income before taxes. The reasons for the difference are as follows:

	2020
	\$
Loss before taxes	(14,022)
Statutory tax rate	26.5%
Expected income tax (recovery)	(3,716)
Items not deductible for income tax purposes	-
Tax benefits not recognized	3,716
Income tax expense	-

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

5. INCOME TAXES (Continued)

Significant components of the deferred income tax assets and (liabilities) of the Company are as follows:

	Opening balance	2020 Recognized in net income	Closing balance
	\$	\$	\$
Deferred tax assets (liabilities)			
Non-capital losses	-	-	-

The Company's deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	Federal	2020 Quebec
	\$	\$
Non-capital losses	14,022	14,022
Unrecognized deductible temporary differences	14,022	14,022

The company's unrecognized non-capital tax losses have the following expiry dates:

	Federal	Quebec
2041	\$ 14,022	\$ 14,022

SCHEDULE "B"
CARVE-OUT FINANCIAL STATEMENTS



LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Statements of exploration and evaluation assets and mining property

Years ended July 31, 2019 and July 31, 2020

Nine months ended April 30, 2021



Independent auditor's report

To the Board of Directors of
Canadian Metals Inc.

Report on the audit of the statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property

Our opinion

In our opinion, the accompanying statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property of Canadian Metals Inc. (the financial statements) present fairly, in all material respects, the financial position of the Lac La Chesnaye Property (the Property) as at April 30, 2021, and July 31, 2020 and 2019 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Property's financial statements comprise the statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property of Canadian Metals Inc. as at April 30, 2021, and July 31, 2020 and 2019 and the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Canadian Metals Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting

We draw to users' attention the fact that the financial statements do not comprise a full set of financial statements prepared in accordance with IFRS. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502



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 relevant to preparing the statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property of Canadian Metals Inc. 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 Property'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 Property or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Property's financial reporting process.

Auditor's 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 auditor's 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 Property's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 Property's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Property 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.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
June 22, 2021

¹ CPA auditor, CA, public accountancy permit No. A128042

LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Financial Statements

Years ended July 31, 2019 and 2020 and nine months ended April 30, 2021

	As at July 31, 2019	As at July 31, 2020	As at April 30, 2021
Mining property	\$	\$	\$
Lac La Chesnaye	428,153	428,153	428,153
Total mining property	428,153	428,153	428,153

	As at July 31, 2019	As at July 31, 2020	As at April 30, 2021
Exploration and evaluation assets	\$	\$	\$
Lac La Chesnaye	107,073	107,073	107,073
Total exploration and evaluation assets	107,073	107,073	107,073

LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Notes to Financial Statements

Years ended July 31, 2019 and 2020 and nine months ended April 30, 2021

1. Nature of operations and description of the transaction

Canadian Metals Inc. (the "Company" or "Canadian Metals" or "CME") is a company domiciled in Canada. Canadian Metals was incorporated on August 17, 2012 under the *Québec Business Corporations Act*. Canadian Metals is a public company listed on the Canadian Securities Exchange ("CSE") and its trading symbol is "CME". The Company's head office, which is also the main establishment, is located at 866, 3ième Avenue, Val-d'Or, Québec, Canada, J9P 1T1.

On May 20, 2021, the Company has approved a strategic restructuring of its assets pursuant to which the Company would spin off its existing Lac Chesnaye Property, located in Québec, into a separate entity ("Spinco"). It is proposed that the transaction will be carried out by way of statutory plan of arrangement (the "Spin-Out") pursuant to the Business Corporations Act (Québec). Through the Spin-Out, shareholders of the Company will exchange all of the existing issued and outstanding common shares for the same number of new common shares of the Spinco (having identical terms as the existing common shares) and an aggregate of 4,300,000 common shares in the capital of Spinco. These statements of exploration and evaluation assets and mining property have been prepared in connection with the Spin-Out.

2. Basis of preparation

The statements of exploration and evaluation assets and mining property (the Statements) of the Lac La Chesnaye Property of Canadian Metals Inc. are prepared to assist the Company with the Spin-Out transaction described above.

The Statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These Statements have been prepared on a historical cost basis and all amounts are expressed in Canadian dollars.

No acquisition costs on mining properties and expenditures on exploration and evaluation assets were incurred during the years ended July 31, 2019 and 2020 and the nine-month period ended April 30, 2021. As such, there are no changes in the accumulated costs and cash flows to report for these periods.

3. Summary of Significant Accounting Policies

3.1 Mining properties and exploration and evaluation assets

Mining properties correspond to acquired interests in mining exploration permits / claims which include the rights to explore for mine, extract and sell all minerals from such claims.

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement) are capitalized as mining properties and the expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Notes to Financial Statements

Years ended July 31, 2019 and 2020 and nine months ended April 30, 2021

The various costs are capitalized pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

3.2 Impairment of exploration and evaluation assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the assets or cash-generating units recoverable amount exceeds its carrying amount.