QNB METALS INC

Unaudited Condensed Financial Statements

For the 3 months ended July 31, 2021

QNB METALS INC

For the three months ended July 31, 2021

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Unaudited Financial Statements

Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements were prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

QNB METALS INC

Unaudited Statement of Financial Position

(Expressed in Canadian Dollars)

As at

	July 31, 2021	April 30, 2021
	$	$
Assets		
Current:		
Cash	481,741	1
Total assets	481,741	1
Liabilities		
Current:		
Trade accounts payable and accrued liabilities	19,032	14,022
Total liabilities	19,032	14,022
Shareholder's equity		
Share capital (note 4)	326,134	1
Warrant Reserve	155,596	
Deficit	(19,022)	(14,022)
Total equity	462,709	(14,021)
Total liabilities and shareholder's equity	481,741	1

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

On behalf of the Board of Directors,

(S) Stéphane Leblanc	(S) Arnab De
Chief Executive Officer/Director	CFO

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Unaudited Statement of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the three months ended July 31, 2021

	3 months ended July 31, 2021 $
Expenses	
Professional fees	5,000
Net Loss and Comprehensive Loss for the period	5,000
Loss per share	
Basic and diluted loss per share	0.90
Weighted average number of common shares outstanding	5535

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Unaudited Statement of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

For the period from incorporation on October 19 to July 31, 2021

	No of Shares	*Share capital*	*Warrants*	*Deficit*	*Total equity*
		$	*$*	*$*	*$*
Balance at October 19, 2020	**-**	**-**	**-**	**-**	**-**
Net loss and comprehensive loss for the period				(14,022)	(14,022)
Issuance of units (Note 8)	100	1	-	-	1
Balance at April 30, 2021	**100**	**1**	**-**	**(14,022)**	(14,021)
Net loss and comprehensive loss for the 3 months ended July 31 2021	-	-	-	**(5,000)**	**(5,000)**
-					
Issuance of units (Note 8)	**5,000,000**	**326,133**	155,596		**481,729**
Balance at July 31, 2021	**5,000,100**	**326,134**	**155,596**	**19,022**	**462,709**

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Unaudited Statement of Cash Flows

(Expressed in Canadian Dollars)

For the 3 months period ended July 31, 2021

	3 months ended July 31, 2021 $
Operating activity:	
Net loss:	(5,000)
Operating Activity before change in working Capital item	(5,000)
Change in trade accounts payable and accrued liabilities	5,010
Cash flows from Operating activities	**10**
Financing Activity:	
Shares issued for cash (Net of Share Issuance costs)	481,730
Net change in cash for the period	**481,740**
Cash, beginning of the period	**1**
Cash, end of the period	**481,741**

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

1. Statement of incorporation and nature of activities

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. The Company's shares are currently traded on the Canadian Securities Exchange ("CSE") under the symbol "TIM".

CME has also completed 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. [Refer Note 12]

2. Basis of presentation

Statement of compliance and going concern

These Unaudited condensed consolidated financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors.

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. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

	3 months ended July 31, 2021 $	Since incorporation in October 2019 till April 30, 2021 $
Net Loss and Comprehensive Loss for the period	**5,000**	14,022
Deficit	**(19,022)**	(14,022)
Working Capital Surplus / (Deficiency)	**462,709**	(14,021)

Although the Company was able to raise $481,730 (net) during the 3 months ended July 31, 2021, there still exist material uncertainties that 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 consolidated financial statements and the classification used in the consolidated financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material. Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months from the date of the financial position.

2. Basis of presentation (Continued)

Novel coronavirus ("COVID-19")

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.

Approval of consolidated financial statements

These consolidated financial statements were approved for issuance by the Board of Directors on 28th September, 2021.

3. Significant accounting policies

The financial statements are prepared using the significant accounting policies described in the present note. These methods have been applied consistently to all periods presented in these unaudited condensed consolidated financial statements.

Basis of measurement

The unaudited condensed consolidated financial statements have been prepared on a historical cost basis.

Foreign currency translation

Functional and presentation currency

These unaudited condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

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.

3. Significant accounting policies (Continued)

Financial instruments (Continued)

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.

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.

Equity

Share capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the price of the most recent share issue of the Company or ,after the Company being listed, their fair value according to the quoted price on the date of the conclusion of the agreement.
Unit placements
Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

3. Significant accounting policies (Continued)

Warrants

Warrants that have been issued in combination with common shares are accounted for under IAS 32, Financial instruments: Presentation. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer's functional currency is exchanged for a fixed amount of shares. In calculating the value of warrants, the Company used the Black Scholes option model which incorporates the following inputs: the Company's stock price, expected life of the warrant, volatility of the Company's stock price, dividend yield and the risk-free interest rate.
Warrants include fair value of allocated to warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to deficit.

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.

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.

4. 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 2 for further information.

5. Cash and cash equivalents

Cash and cash equivalents are made up of the following:

	July 31, 2021	**April 30, 2021**
	$	**$**
Cash in hand	1	1
Cash held in Trust Account (proceeds from private placement)	481,740	-
	481,741	**1**

6. Share Capital

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

As at April 30, 2021, the Company issued 100 common shares at a price of $0.01
On July 30, 2021, the Company completed a private placement of 5,000,000 shares at a price of $0.10 per shares. Each share was accompanied with one-half warrant. The company paid a finder's fee of $18.270 and issued 182.700 warrants in connection with this private placement. The warrants issued in consideration for finders fee has been valued at $10,597 and the same together with the fee of $18,270 has been credited to the Warrant Reserve.

c) Warrants:

As mentioned above, during July 2021, the Company issued 182,700 warrants as finders fee. Each warrant is exercisable into one common share at a price of $0.18 and shall expire in 2 years.
Pursuant to the private placement in July 2021, the Company issued 2,500,000 warrants. Each warrant is exercisable into one common share at a price of $0.18 and shall expire in 2 years.
The total warrants outstanding as at July 31, 2021 amounts to 2,682,700 with an exercise price of $0.18 and is valued at $0.058 as per Black Scholes model.

6. Share Capital (Continued)

The fair value of one warrant at the date of the closing was estimated at $0.221 based on the following key assumptions:

Warrants Reserve	3 months ended July 31, 2021
Exercise Price	$0.18
Expected Life	3 years
Dividend Yield	Nil
Volatility	141.31%
Risk Free Interest Rate	0.18%
Fair Value	0.058

7. Loss per share

Loss per share has been calculated using the weighted average number of common shares outstanding for the 3months ended July 31, 2021is as follows:

	3 months ended July 31, 2021
Net loss for the year attributable to shareholders	**5,000**
Weighted average number of common shares outstanding	**5,535**
Basic and diluted loss per share	**0.90**

8. Related Party Transaction

Transactions with key management

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer ("CFO").

During the 3 months ended July 31, 2021, the following transactions were recorded:

Shares and warrants purchased:

Name	Designation	Shares Purchased	Warrants Purchased	Value of transaction
		(Nos)	(Nos)	$
Stephane Leblanc	President and CEO and Chairman of the Board	1,490,000	745,000	149,000
Maxime Lemieux	Director	100,000	50,000	10,000

9. Capital management policies and procedures

The Company's objectives in managing capital is to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. The company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in Note 6 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

10. Financial assets and liabilities

The carrying amounts and fair value of financial instruments presented in the statement of financial position are as follows:

	As at July 31, 2021		As at April 30, 2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	481,741	481,741	1	1
Financial liabilities				
Accounts payable and accrued liabilities	19,032	19,032	14,022	14,022

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities is considered to be a reasonable expectation of fair value because of the short-term maturity of these instruments.

11. Financial risks

The Company is exposed to various risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, cash and cash equivalents at the reporting date for the aggregate amounts of $481,741 at July 31, 2021 (April 30, 2021: $1). The risk related to cash and cash equivalents is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent and the cash held in trust is accessible as and when required.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's liabilities aggregates to $19,032 at July 31, 2021 (April 30, 2021: $14,022). The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

12. Subsequent events:

On June 17, 2021, Canadian Metals Inc. ("CME") and the Company ("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:

a) 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);
b) CME undertook a reorganization of its share capital;
c) 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
d) the 100 QNB Shares held by CME were cancelled.

Closing of the Arrangement was on September 9, 2021.