QNB METALS INC.

Financial Statements

(Expressed in Canadian dollars)

For the Year ended April 30, 2022

QNB METALS INC.

For the Year ended April 30, 2022

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Financial Statements

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Independent Auditor's Report

To the Shareholders of QNB Metals Inc.:

Opinion

We have audited the financial statements of QNB Metals Inc. (the "Company"), which comprise the statements of financial position as at April 30, 2022 and April 30, 2021, and the statements of net loss and comprehensive loss, changes in equity and cash flows for the year ended April 30, 2022 and the period from 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, 2022 and April 30, 2021, and its financial performance and its cash flows for the year ended April 30, 2022 and the period from October 19, 2020 to April 30, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss during the year ended April 30, 2022, and as at that date, the Company has an accumulated deficit and has not generated cash flows from its operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.

Other Information

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

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

MNP LLP [1]

August 25, 2022

[1] CPA Auditor, public accountancy permit no. A126822

QNB METALS INC.

Statement of Financial Position
(Expressed in Canadian Dollars)
As at

	April 30, 2022	April 30, 2021
	$	**$**
Assets		
Current:		
Cash	233,045	1
Sales tax receivable	12,924	-
Prepaid expenses	6,250	-
	252,219	1
Total assets	252,219	1
Liabilities		
Current:		
Trade accounts payable and accrued liabilities	56,892	14,022
Payable to a related company (Note 11)	48,889	-
Total liabilities	105,781	14,022
Shareholders' equity		
Share capital (note 7)	708,511	1
Warrant reserve	107,308	-
Deficit	(669,381)	(14,022)
Total shareholders' equity	146,438	(14021)
Total liabilities and shareholders' equity	252,219	1

Basis of presentation and going concern (Note 2)
On behalf of the Board of Directors,

(S) Stéphane Leblanc	(S) Michel Gagnon
Chief Executive Officer/Director	Director

The accompanying notes are an integral part of these financial statements

QNB METALS INC.

Statement of Financial Position

(Expressed in Canadian Dollars)

As at

	Year ended April 30, 2022	Period from Incorporation date of October 19 to April 30, 2021
	$	$
Expenses		
Exploration and evaluation expenses (Note 8)	344,000	-
Management fees (Note 11)	134,003	-
Professional fees (Note 11)	100,527	14,022
Filing and other statutory fees	35,265	-
Consultancy Expenses	17,532	-
Geological Expenses	16,739	-
Insurance	6,250	-
Other Administrative Expenses	1,043	-
Net Loss and Comprehensive Loss for the period	655,359	14,022
Loss per share		
Basic and diluted loss per share	0.10	140.22
Weighted average number of common shares outstanding	6,498,367	100

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 year ended April 30, 2022 and from date of incorporation October 19 to April 30, 2021

	No of Shares	*Share capital* $	*Warrants* $	*Deficit* $	*Total equity* $
Balance at October 19, 2020	**-**	**-**	**-**	**-**	**-**
Issuance of units (Note 7)	100	1	-	-	1
Net loss and comprehensive loss for the period	-	-	-	(14,022)	(14,022)
Balance at April 30, 2021	**100**	**1**	**-**	**(14,022)**	**(14,021)**
Private placement – issuance of units (Note 7)	5,000,000	400,000	107,308	-	507,308
Share issuance costs – finder's warrants (Note 7)	-	(7,308)	-	-	(7,308)
Share issuance costs – cash (Note 7)	-	(28,181)	-	-	(28,181)
Cancellation of shares issued to CME pursuant to Plan of arrangement (Note 7)	(100)	(1)	-	-	(1)
Plan of arrangement - transfer of Lac La Chesanaye (Note 7)	4,299,961	344,000	-	-	344,000
Net loss and comprehensive loss for the year ended April 30, 2022	-	-	-	(655,359)	(655,359)
Balance at April 30, 2022	**9,299,961**	**708,511**	**107,308**	**(669,381)**	**146,438**

The accompanying notes are an integral part of these financial statements

QNB METALS INC.

Statement of Cash Flows

(Expressed in Canadian Dollars)

For the

	Year ended April 30, 2022	Period from Incorporation date of October 19 to April 30, 2021
	$	$
Net loss for the period:	(655,359)	(14,022)
Adjustments / change in non-cash and working capital items	(655,359)	(14,022)
Operating activity:		
Exploration and evaluation expenses	344,000	-
Change in non-cash working-capital items		
Sales tax receivable	(12,924)	-
Prepaid expenses	(6,250)	-
Payable to a related party	48,889	-
Trade accounts payable and accrued liabilities	42,870	14,022
Cash outflows from Operating activities	**(238,774)**	**-**
Financing Activity:		
Shares issued for cash (Net of Share Issuance costs)	471,818	1
Cash flows from Financing activities	**471,818**	1
Net change in cash for the period	**233,044**	1
Cash, beginning of the period	**1**	-
Cash, end of the period	**233,045**	1

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 served as the target company for certain assets that were to be spun out from Canadian Metals Inc. ("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 was spun out to the Company in accordance with the Plan of Arrangement. (Refer Note 7)

2. Basis of presentation and going concern

Statement of compliance and going concern

These 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.

	Year ended April 30, 2022	Since incorporation in October 2019 till April 30, 2021
	$	$
Net Loss and Comprehensive Loss for the period	**655,359**	14,022
Deficit	**(669,381)**	(14,022)
Working Capital Surplus / (Deficiency)	**146,438**	(14,021)

Although the Company was able to raise $471,818 (net) during the year ended April 30, 2022, 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 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. 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)

Coronavirus ("COVID-19")

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected.

Approval of financial statements

These financial statements were approved for issuance by the Board of Directors on August 25, 2022.

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 financial statements.

Basis of measurement

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

Foreign currency translation

Functional and presentation currency

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

Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors.
The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. While, all its exploration claims are located in Quebec, Canada, the Corporation expenses all acquisition costs of mineral properties and exploration expenses as incurred. (refer Note 4).

3. Significant accounting policies (Continued)

Financial instruments

a) Classification:

Financial Assets/Liabilities	Classification
Cash	Financial asset at amortized cost
Trade accounts payable and accrued liabilities	Financial liabilities at amortized cost
Payable to a related company	Financial liabilities at amortized cost

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

b) Measurement:

Financial assets and liabilities at amortized cost:
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment for a financial asset.

Financial assets and liabilities at FVTPL:
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss and comprehensive loss in the period in which they arise. Where Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

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. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and demand deposits that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Significant accounting policies (Continued)

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

The Company has adopted a residual method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value of shares using the Black- Scholes valuation model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares.

Other elements of equity

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 stock price of comparable publicly listed companies, 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 expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of net loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income ("OCI").

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company recognizes deferred taxes in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointlycontrolled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is

3. Significant accounting policies (Continued)

measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Basic and diluted loss per share

Basic loss per share is calculated by dividing net loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options warrants and restricted share units. When a loss is incurred during a period, basic and diluted loss per share are the same because the exercise of share equivalents is then considered to be anti-dilutive.

Accounting standards issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

In May 2020, the IASB issued a package of narrow-scope amendments to three standards (IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment" and IAS 37
"Provisions, Contingent Liabilities and Contingent Assets") as well as the IASB's Annual Improvements to IFRS Standards 2018 - 2020. These amendments to existing IFRS standards are to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. These amendments are effective for annual periods beginning on or after January 1, 2022. The Company is assessing the potential impact of these narrow-scope amendments.

4. Changes in accounting policies

Exploration and evaluation expenditures and exploration and evaluation asset

The Company followed the following policy until January 31, 2022:

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. 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), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as

exploration and evaluation assets.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

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.

Although the Company has taken steps to verify title to the mining properties in which it hold an interest in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Title to property may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

However, with effect from February 1, 2022 the Company changed its Policy to give effect to the following with effect from May 1, 2021:

The Corporation expenses all acquisition costs of mineral properties and exploration expenses as incurred. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

There was no impact of the change in accounting policy on the financial statements as and for the period from October 19, 2020 (date of incorporation) to April 30, 2021.

5. Judgments, estimates and assumptions

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information become available.

Going concern

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. Judgments, estimates and assumptions (Continued)

Estimation uncertainty

Share-based payments and warrant valuation

The estimation of share-based payment costs and measurement of warrant value of issuance requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black Scholes valuation model. For the significant inputs in the Black Scholes option pricing model, management made the following assumptions:

- Underlying stock price: Set the stock price based on the equity offering from non-brokered private placements at or near the grant date of the options.
- Underlying stock price volatility: Based on historical data of comparable publicly traded companies in the mining industry.
- Expected life: Given the limited history of the stock option plan and the Company, assumptions are required to be made for expected life and forfeitures.

Recognition of deferred tax assets and measurement of income tax expense

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

6. Cash and cash equivalents

Cash and cash equivalents are made up of the following:

	April 30, 2022 **$**	**April 30, 2021** **$**
Cash in hand	-	1
Bank balance	233,045	-
	233,045	**1**

7. 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 units at a price of $0.10 per unit. Each unit comprised one share and one-half warrant. The Company paid a finder's fee of $18,270 and issued 182,700 warrants in connection with this private placement valued at $7,308 were recorded as share issuance costs. Additionally, $9,911 incurred towards legal expenses were recorded as share issuance costs.

On September 9, 2021, the Canadian Metals Inc. spun out its Lac La Chesnaye Property located in Quebec in exchange of 4,299,961 common shares of QNB Metals Inc., for a fair value of $344,000. Consequent to the spin-off, the Company cancelled the shares issued to Canadian Metals Inc..

Of the above, 2,283,666 were originally held in escrow as part of the listing requirements. 1/10th of the escrow securities are to be released on the listing date, 1/6th of the remaining escrow securities are to be released 6 months after the listing date, 1/5th of the remaining escrow securities are to be released 12 months after the listing date, 1/4th of the remaining escrow securities are to be released 18 months after listing date, 1/3rd of the remaining escrow securities are to be released 24 months after the listing date, 1/2th of the remaining escrow securities are to be released 30 months after listing date, and the remaining of the escrow securities are to be released 36 months after the listing date. As at April 30, 2022, per the escrow agreement, 1,712,749 shares should have been held in escrow but due to administrative reasons, no shares were released from escrow as at that date.

c) Warrants:

Pursuant to the private placement in July 2021, the Company issued 2,500,000 warrants (note 7(b)). Each warrant is exercisable into one common share at a price of $0.18 and shall expire in 2 years.

During July 2021, the Company issued 182,700 warrants as finder's fee (note 7(b)). Each warrant is exercisable into one common share at a price of $0.18 and shall expire in 2 years.

Details of common share purchase warrants outstanding are as follows:

	April 30, 2022		April 30, 2021	
	Number of Warrants Nos	Weighted average exercise price $	Number of Warrants Nos	Weighted average exercise price $
Outstanding - beginning of period	-	-	-	-
Granted	2,682,700	0.18	-	-
Cancelled	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding - end of period	2,682,700	0.18	-	-

As at April 30, 2022, the following share purchase warrants were outstanding:

7. Share Capital (continued)

	April 30, 2022		April 30, 2021	
Expiry date	**Number of Warrants Nos**	**Exercise price $**	**Number of Warrants Nos**	**Exercise price $**
July 2023	2,682,700	0.18	-	-

The fair value of one share and one warrant at the date of the closing was estimated at $0.08 and $0.04, respectively, using, the Black Scholes option pricing model based on the following key assumptions:

Warrants Reserve	Year ended April 30, 2022
Exercise Price	$0.18
Expected Life	2 years
Dividend Yield	Nil
Volatility	141.31%
Risk Free Interest Rate	0.18%
Fair Value	0.04

8. Exploration and evaluation (E&E) expenses

Lac La Chesnaye property

The property covers a total area of 448 hectares 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 were 100% held by Canadian Metals Inc before being transferred to the Company. On September 9, 2021, the Canadian Metals Inc. spun out its Lac La Chesnaye Property located in Quebec in exchange for 4,299,961 common shares of QNB Metals Inc., for a fair value of $344,000. The fair value of the shares issued was determined by reference to the recently completed financing (note 7(b))."

9. Loss per share

Loss per share has been calculated using the weighted average number of common shares outstanding for the year ended April 30, 2022 is as follows:

	Year ended April 30, 2022 **$**	Since incorporation in October 2019 till April 30, 2021 $
Net loss for the year attributable to shareholders	**655,359**	14,022
Weighted average number of common shares outstanding	**6,498,367**	100
Basic and diluted loss per share	**0.10**	140.22

10. Income Taxes

Income tax expense differs from that expected by applying the combined federal and provincial income tax rates of 26.5% (2021 - 26.5%) to income before tax for the following reasons:

	Year Ended April 30, 2022	Year Ended April 30, 2021
	$	$
Loss before income taxes	(655,359)	(14,022)
Expected income tax recovery	(173,670)	(3,716)
Tax expense at combined statutory rate		
Increase (decrease) in income taxes resulting from:		
Tax benefits not recognised	173,549	3,716
Non-deductible expenses and other	121	-
	-	-
Composition of deferred taxes in the income statement		
Inception and reversal of tax benefits	(173,549)	(3,716)
Temporary difference not recognized	173,549	3,716
	-	-

As at April 30, 2021 and April 30, 2022, the Company has the following deductible temporary differences for which no deferred tax has been recognized:

	30/04/2022		30/04/2021	
	Fédéral	Quebec	Fédéral	Quebec
Issuance costs	28,391	28,391	-	-
Exploration and evaluation assets	360,945	360,945	-	-
Non-capital losses	315,079	315,079	14,022	14,022
	704,415	704,415	14,022	14,022

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years:

	Federal Amount	Quebec Amount
2041	14,022	14,022
2042	301,057	301,057
	315,079	**315,079**

11. 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 Year ended April 30, 2022, the following transactions were recorded:

Shares and warrants purchased:

Designation	Shares Purchased	Warrants Purchased	Value of transaction
	(Numbers)	(Numbers)	$
President and CEO and Chairman of the Board	1,490,000	745,000	149,000
Director	100,000	50,000	10,000

The remuneration of key management personnel includes the following expenses:

	April 30, 2022
	$
Management and consulting fees	134,003

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

As at April 30, 2022, trade accounts payable and accrued liabilities include $nil payable to key management personnel.

Professional fees expensed to a legal firm which employs a director amounted to $70,437. The amounts owed by the Company to this firm amounts to $13,716 as at April 30, 2022 (Previous year: $3,322).

As at April 30, 2022, the extent pf expenditures paid by Canadian Metals Inc., a company having common shareholders and directors, were $48,889.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

12. 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 April 30, 2022		As at April 30, 2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Cash	**233,045**	**233,045**	1	1
Financial liabilities				
Trade accounts payable and accrued liabilities	**56,892**	**56,892**	14,022	14,022
Payable to a related company	**48,889**	**48,889**	-	-

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

13. 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 $233,045 at April 30, 2022 (April 30, 2021: $1). The risk related to cash 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 $105,780 at April 30, 2022 (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.

14. Subsequent events

In June 2022, the company announced that it entered into an arm's length binding letter of intent (the "LOI") dated June 17, 2022 with Analog Gold Inc. ("Analog"), with respect to a proposed transaction (the "Proposed Transaction"), whereby QNB Metals will acquire a 100% interest in Minagoldchoix SA de CV, Analog's 99.97% owned Mexican subsidiary, which owns the Tres Oros gold property and two other properties.

The LOI also contemplates other material conditions precedent to be fulfilled prior to the closing of the Proposed Transaction, including, the completion of a financing to raise sufficient gross proceeds of $2 million for the Resulting Issuer to meet listing requirement at a minimum price of $0.40 per share, customary due diligence, and all requisite board and shareholder approvals being obtained.