QNB METALS INC

Financial Statements

(Expressed in Canadian dollars)

For the Year ended April 30, 2023

QNB METALS INC

For the Year ended April 30, 2023

Page

Financial Statements

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, 2023 and April 30, 2022, and the statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, 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, 2023 and April 30, 2022, and its financial performance and its cash flowsfor the years then ended 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, 2023, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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

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

Montréal, Québec

MNP LLP [1]

August 28, 2023

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

QNB METALS INC

Statements of Financial Position

(Expressed in Canadian Dollars)
As at April 30, 2023 and April 30, 2022

	April 30, 2023	April 30, 2022
Assets	**$**	**$**
Current:		
Cash	1,440	233,045
Sales tax receivable	38,294	12,924
Prepaid expenses	-	6,250
	39,734	252,219
Total assets	39,734	252,219
Liabilities		
Current:		
Trade accounts payable and accrued liabilities	148,783	56,892
Payable to a related company (Note 11)	48,889	48,889
Total liabilities	197,672	105,781
Shareholders' equity		
Share capital (note 6)	736,011	708,511
Warrant reserve	107,308	107,308
Share Options (note 7)	33,000	-
Deficit	(1,034,257)	(669,381)
Total shareholders' equity / (deficit)	(157,938)	146,438
Total liabilities and shareholders' equity	39,734	252,219

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

(S) Stéphane Leblanc	(S) Maxime Lemieux
Chief Executive Officer/Director	Director

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended April 30, 2023 and April 30, 2022

	Year ended April 30, 2023	Year ended April 30, 2022
	$	$
Expenses		
Management fees (Note 11)	164,004	134,003
Professional fees (Note 11)	79,137	100,527
Share based compensation (Note 7)	33,000	-
Exploration and evaluation expenses (Note 8)	30,960	344,000
Filing and other statutory fees	21,887	35,265
Insurance	20,000	6,250
Consultancy Expenses	15,000	17,532
Geological Expenses	-	16,739
Other Administrative Expenses	888	1,043
Net Loss and Comprehensive Loss for the year	364,876	655,359
Loss per share		
Basic and diluted loss per share	0.04	0.10
Weighted average number of common shares outstanding	9,676,673	6,498,367

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

For the years ended April 30, 2023 and April 30, 2022

	No of Shares	*Share capital*	*Warrants*	*Options*	*Deficit*	*Total equity*
		$	*$*	*$*	*$*	*$*
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 - finders 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	(100)	(1)	-	-	-	**(1)**
Plan of arrangement - transfer of La Lac Lachanay	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**
Private placement	1,500,000	27,500	-	-	-	**27,500**
Issuance of Options	-	-	-	33,000	-	**33,000**
Net loss and comprehensive loss for the year ended April 30, 2023	-	-	-	-	(364,876)	**(364,876)**
Balance at April 30, 2023	**10,799,961**	**736,011**	**107,308**	**33,000**	**(1,034,257)**	**(157,938)**

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Statements of Cash Flows

(Expressed in Canadian Dollars)
For the years ended April 30, 2023 and April 30, 2022

	Year ended April 30, 2023	Year ended April 30, 2022
	$	$
Net loss for the year:	(364,876)	(655,359)
Adjustments / change in non-cash and working capital items	(364,876)	(655,359)
Share based compensation:	33,000	-
Exploration and evaluation expenses	27,500	344,000
Change in non-cash working-capital items		
Sales tax receivable	(25,370)	(12,924)
Prepaid expenses	6,250	(6,250)
Payable to a related company	-	48,889
Trade accounts payable and accrued liabilities	91,891	42,870
Cash outflows from Operating activities	**(231,605)**	**(238,774)**
Financing Activity:		
Shares issued for cash (Net of Share Issuance costs)	-	471,818
Cash flows from Financing activities	**-**	**471,818**
Net change in cash for the year	**(231,605)**	**233,044**
Cash, beginning of the year	**233,045**	**1**
Cash, end of the year	**1,440**	**233,045**

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 $	Year ended April 30, 2022 $
Net Loss and Comprehensive Loss for the year	**386,876**	655,359
Deficit	**(1,034,257)**	(669,381)
Working Capital Surplus / (Deficiency)	**(157,937)**	146,438

There 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.

Approval of financial statements

These financial statements were approved for issuance by the Board of Directors on April 28, 2023.

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).

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).

3. Significant accounting policies (Continued)

Financial instruments (Continued)

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.

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 adjusted by a discount for lack of marketability for any restriction 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.

3. Significant accounting policies (Continued)

Contributed Surplus

Contributed surplus includes charges related to stock options until such stock options are exercised. When stock options are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under contributed surplus reserve is transferred to deficit.
Deficit includes all current and prior period retained profits and losses. Deficit also includes charges related to warrants and stocks options expired and any amounts in excess of total contributed surplus related to shares repurchased.
Purchase for cancellation
When shares are purchased for cancellation, the carrying amount of the shares is recognized as a deduction of share capital. The difference between the purchase price and the carrying amount is charged to contributed surplus and then to deficit for any amounts in excess of total contributed surplus related to shares repurchased.

Share-based payments

Stock options plan

The Company operates an equity-settled share-based payment plan for its eligible directors, officers, and employees. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except equity-settled share-based payments to brokers) are ultimately recognized as an expense in loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus or warrant reserve, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to contributed surplus or warrant reserve, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if stock options ultimately exercised are different to that estimated on vesting.

Upon expiry of the warrants or stock options, the corresponding amounts in the warrants reserve and contributed surplus respectively are transferred to share capital.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

3. Significant accounting policies (Continued)

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 jointly controlled 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 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 and warrants. 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 has adopted these standards during the year and there is no impact on the financial statements of the Company.

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.

The impact of the change in accounting policy on the financial statements is $344,000 ("Nil" 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 from previous page)

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. Share Capital

a. Authorized
Unlimited number of common shares without par value.

b. Issued and outstanding

2022:

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..

6. Share Capital (Continued from previous page)

Of the above, 2,283,666 were originally held in escrow as part of the listing requirements. 1/10th of the escrow securities were to be released on the listing date, 1/6th of the remaining escrow securities 6 months after the listing date, 1/5th of the remaining escrow securities 12 months after the listing date, ¼th of the remaining escrow securities 18 months after listing date, 1/3rd of the remaining escrow securities 24 months after the listing date, ½th of the remaining escrow securities 30 months after listing date, and the remaining of the escrow securities 36 months after the listing date. As at April 30, 2023, 1,027,650 shares we held in escrow.

In January 2023, the Company entered into 2 Option Agreements pursuant to which 1,500,000 shares were issued. Based on the prevailing share prices at the date of the grant, the fair value of the shares estimated at $27,500 have been recorded as increase in share capital. The summary of the 2 Option Agreements are as follows:

Property	Goodwin Property		North West Miramichi Ni-Cu	
Effective Date	01/23/2023		01/31/2023	
Payment from Effective Date	**Shares**	**Cash**	**Shares**	**Cash**
Immediate (January 2023 - issued)	500,000	-	1,000,000	-
1st Anniversary	400,000	30,000	1,000,000	-
2nd Anniversary	400,000	40,000	1,000,000	50,000
3rd Anniversary	400,000	80,000		50,000
4th Anniversary	700,000	100,000		100,000
Total	2,400,000	250,000	3,000,000	200,000

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, 2023		**April 30, 2022**	
	Number of Warrants Nos	**Weighted average exercise price $**	**Number of Warrants Nos**	**Weighted average exercise price $**
Outstanding - beginning of year	2,682,700	2,682,700	-	-
Granted	-	-	2,682,700	0.18
Cancelled	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding - end of year	2,682,700	0.18	2,682,700	0.18

6. Share Capital (Continued from previous page)

As at April 30, 2023, the following share purchase warrants were outstanding:

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

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

Warrants Reserve	Year ended April 30, 2023
Share Price	$0.08
Exercise Price	$0.18
Expected Life	2 years
Dividend Yield	Nil
Volatility	141.31%
Risk Free Interest Rate	0.18%
Fair Value	0.04

7. Share-based payments

The Company offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire exploration and evaluation assets are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

On March 29 2023, the Company issued 1,000,000 incentive stock options to key management and directors at $0.10. Accordingly an amount of $33,000 has been recorded as share based compensation under IFRS 2.

7. Share-based payments (Continued from previous page)

Stock Options	**Year ended April 30, 2023**	Year ended April 30, 2022
Outstanding at the beginning of the year	**-**	-
Options granted	**1,000,000**	-
Options Expired	**-**	-
Options Exercised	**-**	-
Outstanding at the end of the year	**1,000,000**	-

Stock options	Year ended April 30, 2023
Exercise Price	$0.10
Expected Life	5 years
Dividend Yield	Nil
Volatility	89%
Forfeiture rate	0%
Risk Free Interest Rate	3.15%
Fair Value	$0.033

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. (note 6(b)). These claims have expired during the year and the Company has decided against renewing the claims.

Goodwin Lake property:

The property consists of 6 claims comprised of 43 units that cover 930 hectares of prospective mineral ground. There are three nickel-copper occurrences located within the Goodwin claims which were discovered and drilled by previous workers. These claims were acquired on January 23, 2023 (note 6(b)).

North West Miramichi property:

The Property consists of 9 claims comprised of 387 units covering 7740 hectares of prospective mineral ground. North West Miramichi Ni-Cu zone were discovered and drilled by predecessors.These claims were acquired on January 31, 2023 (note 6(b)).

9. Income Taxes

Income tax expense differs from that expected by applying the combined federal and provincial income tax rates of 26.5% (2022 - 26.5%) to income before tax for the following reasons:

	Year Ended April 30, 2023	Year Ended April 30, 2022
	$	$
Loss before income taxes	(364,876)	(655,359)
Expected income tax recovery	(96,692)	(173,670)
Tax expense at combined statutory rate		
Increase (decrease) in income taxes resulting from:		
Tax benefits not recognised	87,947	173,549
Non-deductible expenses and other	8,745	121
	-	-
Composition of deferred taxes in the income statement		
Origination and reversal of tax benefits	(87,947)	(173,549)
Temporary difference not recognized	87,947	173,549
	-	-

As at April 30, 2022 and April 30, 2023, the Company has the following deductible temporary differences for which no deferred tax has been recognized:

	Year Ended 30/04/2023		Year Ended 30/04/2022	
	Fédéral	**Quebec**	**Fédéral**	**Quebec**
Issuance costs	21,293	21,293	28,391	28,391
Exploration and evaluation assets	391,905	391,905	360,945	360,945
Non-capital losses	623,091	622,636	315,078	314,623
	1,036,289	1,035,834	704,414	703,959

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	301,056	300,601
2043	308,013	308,013
	623,091	**622,636**

10. Loss per share

Loss per share has been calculated using the weighted average number of common shares outstanding for the year ended April 30, 2023 is as follows:

	Year ended April 30, 2023 $	Year ended April 30, 2022 $
Net loss for the year attributable to shareholders	**364,876**	**655,359**
Weighted average number of common shares outstanding	**9,676,673**	**6,498,367**
Basic and diluted loss per share	**0.04**	**0.10**

In calculating the diluted loss per share, dilutive potential ordinary shares such as share options and warrants (note 6 and 7), have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive.

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, 2023, the following transactions were recorded:

Share Options issued:

Designation	Options Granted	Warrants Purchased	Value of transaction
	(Numbers)	(Numbers)	$
President and CEO and Chairman of the Board	350,000	-	-
Directors	375,000	-	-
CFO	200,000	-	-

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, 2023 $	April 30, 2022 $
Management fees	164,004	134,003

11. Related Party Transaction (Continued from previous page)

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, 2023, trade accounts payable and accrued liabilities include $56,697 payable to key management personnel (April 30, 2022: Nil).

Professional fees expensed to a legal firm which employs a director amounted to $36,337 (April 30, 2022: $70,437). The amounts owed by the Company to this firm amounts to $34,359.75 as at April 30, 2023 (Previous year: $13,716).

As at April 30, 2023, the amount payable to Canadian Metals Inc., a related company, were $48,889 (Previous year: $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, 2023		As at April 30, 2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Cash	**1,440**	**1,440**	233,045	233,045
Financial liabilities				
Trade accounts payable and accrued liabilities	**148,783**	**148,783**	56,892	56,892
Payable to a related company	**48,889**	**48,889**	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 $1,440 at April 30, 2023 (April 30, 2022: $233,045). 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 $197,671 at April 30, 2023 (April 30, 2022: $105,780). 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 2023, the Company announced that it has closed a first tranche of $65,000 (the “First Tranche”) of its previously announced private placement of up to 5,000,000 units (each, a “Unit”) at a price of $0.05 per Unit for aggregate gross proceeds of up to $250,000 (the “Private Placement”). An aggregate of 1,300,000 Units was issued under the First Tranche. Each Unit consists of one common share in the capital of the Corporation (each, a “Share”) and one Share purchase warrant (each, a “Warrant”). Each Warrant is exercisable into one Share at an exercise price of $0.40 for a period of 24 months following its issuance. The Corporation did not pay finder’s fee with respect to the First Tranche and no insiders of the Corporation participated in the First Tranche. All securities issued under the First Tranche are subject to a statutory hold period of 4 months and a day from their issuance.