

QNB METALS INC

Unaudited Condensed Interim Financial Statements
(Expressed in Canadian dollars)

For the Six Months ended October 31, 2023

QNB METALS INC

Unaudited Condensed Interim Statement of Financial Position for the six months ended October 31, 2023

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QNB METALS INC

Unaudited Condensed Interim Statement of Financial Position for the six months ended October 31, 2023

Notice of No Auditor Review of Unaudited Condensed Consolidated Interim Financial Statements For the Six Months Ended October 31, 2023

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of QNB Metals Inc. (the "Company") for the six months ended October 31, 2023 (the "Financial Statements") have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors. The Financial Statements are stated in terms of Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 ("IAS 34") and International Financial Reporting Standards ("IFRS").

QNB METALS INC

Unaudited Condensed Interim Statement of Financial Position

(Expressed in Canadian Dollars)

As at

	October 31, 2023	April 30, 2023
Assets	\$	\$
Current:		
Cash	38,913	1,440
Sales tax receivable	53,094	38,294
	92,007	39,734
Total assets	92,007	39,734
Liabilities		
Current:		
Trade accounts payable and accrued liabilities	281,964	148,783
Payable to a related company (Note 9)	48,889	48,889
	330,852	197,672
Total liabilities	330,852	197,672
Shareholders' equity		
Share capital (note 6)	1,289,337	736,011
Warrant reserve	84,400	107,308
Share Options (note 7)	33,000	33,000
Deficit	(1,645,582)	(1,034,257)
Total shareholders' equity / (deficit)	(238,845)	(157,938)
Total liabilities and shareholders' equity	92,007	39,734

Basis of presentation and going concern (Note 2)

On behalf of the Board of Directors,

(S) Stéphane Leblanc

Chief Executive Officer/Director

(S) Maxime Lemieux

Director

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Unaudited Condensed Interim Statement of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	3 months ended October 31, 2023 \$	3 months ended October 31, 2022 \$	6 months ended October 31, 2023 \$	6 months ended October 31, 2022 \$
Expenses				
Exploration and evaluation expenses (Note 8)	198,000	0	549,350	0
Professional fees	23,316	10,278	60,766	28,661
Management fees	49,500	41,001	96,167	82,002
Filing and other statutory fees	3,773	7,800	7,623	12,509
Insurance	0	3,125	0	6,250
Consultancy Expenses	0	15,000	0	15,000
Other Administrative Expenses	96	139	4,728	962
Net Loss and Comprehensive Loss for the period	274,684	77,342	718,633	145,384
Loss per share				
Basic and diluted loss per share	0.01	0.01	0.03	0.02

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Unaudited Condensed Interim Statement of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

For the six months ended October 31, 2023 and October 31, 2022

	<i>No of Shares</i>	<i>Share capital</i>	<i>Warrants</i>	<i>Options</i>	<i>Deficit</i>	<i>Total equity</i>
		\$	\$	\$	\$	\$
Balance at April 30, 2022	9,299,961	708,511	107,308	-	(669,381)	146,438
Net loss and comprehensive loss for the 6 months ended October 31 2022	-	-	-	-	(144,906)	(144,906)
Balance at October 31, 2022	9,299,961	708,511	-	-	(814,287)	1,532
Balance at April 30, 2023	10,799,961	736,011	107,308	33,000	(1,034,257)	(157,938)
Net loss and comprehensive loss for the 6 months ended October 31 2023	-	-	-	-	(718,633.25)	(718,633.25)
Expiry of warrants	-	-	(107,308)	-	107,308.00	-
Private placement	2,150,000	23,100	84,400	-	-	107,500.00
Share issue costs	-	(8,774)	-	-	-	(8,774.00)
Shares issued under Option Agreement	13,000,000	539,000	-	-	-	539,000.00
Balance at October 31, 2023	25,949,961	1,289,337	84,400	33,000	(1,645,582)	(238,845)

The accompanying notes are an integral part of these financial statements

QNB METALS INC

Unaudited Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollars)

For the six months ended

	October 31, 2023	October 31, 2022
	\$	\$
Operating activity:		
Net loss:	-718,633	-77,342
Operating Activity before change in non-cash and working Capital items	-718,633	-77,342
Exploration and evaluation expenses (shares issued)	539,000	-
Change in sales tax receivable	-14,800	-16,874
Change in prepaid expenses	0	6,250
Change in trade accounts payable and accrued liabilities	133,181	-30,624
Cash flows from Operating activities	-61,253	-118,590
Financing Activity:		
Shares issued for cash (Net of Share Issuance costs)	98,726	-
Cash flows from Financing activities	98,726	-
Net change in cash for the period	37,473	-118,590
Cash, beginning of the period	1,440	233,045
Cash, end of the period	38,913	114,455

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

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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 is 2700-1000 rue Sherbrooke O Montréal (Québec) H3A3G4 Canada. 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.

	Six months ended October 31, 2023	Year ended April 30, 2023
	\$	\$
Net Loss and Comprehensive Loss for the period	718,633	386,876
Deficit	(1,645,582)	(1,034,257)
Working Capital Surplus / (Deficiency)	(238,845)	(157,937)

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 December 19, 2023.

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 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

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to deficit.

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Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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.

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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

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Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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 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.

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

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.

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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..

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

In June 2023, the Company entered into 2 Option Agreements pursuant to which 3,100,000 shares were issued. Based on the prevailing share prices at the date of the grant, the fair value of the shares estimated at \$341,000 have been recorded as increase in share capital. The summary of the 2 Option Agreements are as follows:

Property	Goodwin Property	
Effective Date	06/12/2023	
Payment from Effective Date	Shares	Cash
Immediate (June 2023 - issued)	3,100,000	10,350
1st Anniversary	100,000	10,000
2nd Anniversary	100,000	10,000
3rd Anniversary	200,000	20,000
Total	3,500,000	50,350

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

6. Share Capital (Continued from previous page)

In June 2023, the Company completed a private placement of 1,300,000 units at a price of \$0.05 per unit. Each unit comprised one share and one warrant. Additionally, \$7,923 incurred towards legal expenses were recorded as share issuance costs.

The fair value of one warrant at the date of the closing was estimated at \$0.04 using the Black Scholes option pricing model with a volatility of 276%

In October 2023, the Company acquired 100% interest in the Kingsville's Salt property located in Nova Scotia, Canada by issuance of 9,000,000 shares. The Company also issued 900,000 shares as Finders Fees pursuant to the above transaction. Accordingly an amount of \$198,000 was expensed as Exploration and Evaluation expenses being the fair value of the shares issued.

In October 2023, the Company completed a private placement of 850,000 units at a price of \$0.05 per unit. Each unit comprised one share and one warrant. Additionally, \$851 incurred towards legal expenses were recorded as share issuance costs.

The fair value of one warrant at the date of the closing was estimated at \$0.032 using the Black Scholes option pricing model with a volatility of 200%

c) Warrants:

Pursuant to the private placement in June 2023, the Company issued 1,300,000 warrants). Each warrant is exercisable into one common share at a price of \$0.40 and shall expire in 2 years.

Details of common share purchase warrants outstanding are as follows:

	October 31, 2023		April 30, 2023	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
	Nos	\$	Nos	\$
Outstanding - beginning of period	2,682,700	0.18	2,682,700	0.18
Granted	2,150,000	0.40	-	-
Expired	(2,682,700)	(0.18)	-	-
Outstanding - end of period	2,150,000	0.40	2,682,700	0.18

As at October 31, 2023, the following share purchase warrants were outstanding:

Expiry date	October 31, 2023		April 30, 2023	
	Number of Warrants	Exercise price	Number of Warrants	Exercise price
	Nos	\$	Nos	\$
Jul-23			2,682,700	0.18
Jun-25	1,300,000	0.40	-	-
Oct-25	850,000	0.40		
	2,150,000	0.40	2,682,700	0.18

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

6. Share Capital (Continued from previous page)

Warrants Reserve	6 months ended October 31, 2023
Share Price	\$0.05
Exercise Price	\$0.40
Expected Life	2 years
Dividend Yield	Nil
Volatility	20%% to 275%
Risk Free Interest Rate	4.34% to 4.83%
Fair Value	0.043 to 0.32

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.

Stock Options	Six months ended October 31, 2023	Year ended April 30, 2023
Outstanding at the beginning of the year	1,000,000	-
Options granted	-	1,000,000
Outstanding at the end of the year	1,000,000	1,000,000

Stock options	Six months ended October 31, 2023
Exercise Price	\$0.10
Expected Life	5 years
Dividend Yield	Nil
Volatility	89%
Forfeiture rate	0%
Risk Free Interest Rate	3.15%

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Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

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. These claims have expired during the year and the Company has decided against renewing the claims.

Goodwin Lake property:

The property consists of 71 claims that cover 2230 hectares of prospective mineral ground. There are three nickel-copper occurrences located within the Goodwin claims which were discovered and drilled by previous workers. Of these, 1300 claims were acquired on June 12, 2023.

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 .

Kingsville Salt Property:

The Kingsville Salt Deposit is located at Kingsville, on Nova Scotia's Cape Breton Island, approximately 20 km north of the Port Hawkesbury / Point Tupper industrial area on the Strait of Canso. The deposit is said to contain more than 1 billion tonnes of salt mineral resources.

9. Loss per share

Loss per share has been calculated using the weighted average number of common shares outstanding for the six months ended October 31, 2023 is as follows:

	Six months ended October 31, 2023	Year ended April 30, 2023
	\$	\$
Net loss for the year attributable to shareholders	718,633	364,876
Weighted average number of common shares outstanding	23,641,537	9,676,673
Basic and diluted loss per share	0.03	0.04

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.

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Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

10. 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”).

The remuneration of key management personnel includes the following expenses:

	October 31, 2023	April 30, 2023
	\$	\$
Management fees	96,167	164,004

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

As at October 31, 2023, trade accounts payable and accrued liabilities include \$177,912 payable to key management personnel (April 30, 2023: 56,697).

Share issue expenses expensed to a legal firm which employs a director amounted to \$8,774 (April 30, 2023: \$0). The amounts owed by the Company to this firm amounts to \$54,283 as at October 31, 2023 (Previous April 30, 2023: \$34,360).

As at October 31, 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.

QNB METALS INC

Notes to Unaudited Condensed Interim Financial Statement

For the six months ended October 31, 2023

11. 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 October 31, 2023		As at April 30, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	38,913	38,913	233,045	233,045
Financial liabilities				
Accounts payable and accrued liabilities	281,964	281,964	56,892	56,892
Payable to group 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.

12. 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 \$38,913 at October 31, 2023 (April 30, 2023: \$1,440). 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 \$330,852 at October 31, 2023 (April 30, 2023: \$197,671). 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.

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For the six months ended October 31, 2023

13. Subsequent events

During November 2023, the Company signed an Option Agreement to acquire one hundred per cent (100%) interest in and to 8 claims (The Havre Aubert East Property) representing 522 hectares situated in the Magdalen Islands area, in Quebec. Under the agreement, the options to the property would be exercised in the following manner:

Date	Cash consideration	Shares to be allotted
November 15, 2023	\$10	500,000
April 30, 2024	\$15,000	-
November 15, 2024	\$25,000	500,000
November 15, 2025	\$40,000	1,000,000
November 15, 2026	\$40,000	1,000,000