



QNB Metals Inc.

Interim Financial Statements

For the three month period ended July 31, 2025

(Expressed in Canadian Dollars, unless otherwise noted)



QNB METALS INC.
Statements of Financial Position

As at	Notes	(Unaudited) July 31, 2025 \$	(Audited) April 30, 2025 \$
Current assets			
Cash and equivalents		664	99,772
Prepaid expenses		22,447	-
Receivables		5,810	5,810
Sales taxes recoverable		130,853	103,867
Total current assets		159,774	209,449
Interest in ReSolve Hydrogen Inc.	5	349,200	349,200
Total assets		508,974	558,649
Current liabilities			
Accounts payable and accrued liabilities		306,533	240,662
Payable to related party	8	18,663	-
Total current liabilities		325,196	240,662
<i>Going concern</i>	1		
<i>Subsequent events</i>	10		
Shareholders' equity			
Share Capital	6	2,056,203	2,036,203
Warrants reserve	6	361,306	418,506
Share based compensation		214,736	214,736
Deficit		(2,448,467)	(2,351,458)
Total shareholders' equity		183,778	317,987
Total liabilities and shareholders' equity		508,974	558,649

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

Approved on behalf of the Board of Directors:

(signed) Ian C. Peres

Ian C. Peres, President & CEO

(signed) Michael Mansfield

Michael Mansfield, Director



QNB METALS INC.

Statements of Changes In Shareholders' Equity

	Notes	Capital Stock					Shareholders' Equity
		Shares	\$	Warrants	Stock Options	Deficit	
Balance as at April 30, 2025		46,749,961	2,056,203	418,506	214,736	(2,371,458)	317,987
Expiry of unexercised purchase warrants	6			(57,200)		57,200	-
Loss and comprehensive loss						(134,209)	(134,209)
Balance as at July 31, 2025		46,749,961	2,056,203	361,306	214,736	(2,448,467)	183,778
Balance as at April 30, 2024		26,449,961	1,290,779	80,067	33,000	(1,892,363)	(488,517)
Loss and comprehensive loss						(64,676)	(64,676)
Balance as at July 31, 2024		26,449,961	1,290,779	80,067	33,000	(1,957,039)	(553,193)

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



QNB METALS INC.

Statements of Loss, Comprehensive Loss and Deficit

Three months ended July 31,	Notes	2025 \$	2024 \$
Expenses			
Management fees	8	58,333	49,500
General & administration		29,455	15,176
Legal & audit		46,421	-
Loss before income taxes		134,209	64,676
Deferred taxes	7	-	-
Loss and comprehensive loss		134,209	64,676
Deficit, beginning of period			
Warrant expiry	6	(57,200)	-
Deficit, end of period		2,448,467	1,957,039
Loss per share (basic and diluted)			
		\$0.00	\$0.00
Weighted average outstanding shares			
		46,749,961	26,449,961

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



QNB METALS INC.
Statements of Cash Flows

Three months ended July 31,	Notes	2025 \$	2024 \$
Operating activities			
Loss and comprehensive loss		(134,209)	(64,676)
Net change in non-cash working capital balances			
Prepaid expenses		(22,447)	-
Sales taxes recoverable		(26,986)	37,979
Accounts payable and accrued liabilities		65,871	34,415
Payable to related party	8	18,663	-
Cash used in operating activities		(99,108)	7,718
Net increase in cash and equivalents		(99,108)	7,718
Cash and equivalents, beginning of period		99,772	19,621
Cash and equivalents, end of period		664	27,339

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

1. Nature of operations and going concern**Nature of operations**

QNB Metals Inc. (“QNB” or the “Corporation”) was incorporated under the Canada Business Corporations Act on October 19, 2020 and is an exploration and development company committed to identifying and advancing opportunities in the natural and mineral resource and clean energy sectors.

QNB holds the Kingsville Salt Project, an exploration project located in the area of Kingsville, on Nova Scotia’s Cape Breton Island, approximately 20 km north of the Port Hawkesbury / Point Tupper industrial area in the Strait of Canso. The Corporation also holds a 49.9% interest in *Resolve Hydrogen Inc.* which holds a highly prospective land package in Ontario and Quebec, and leading patent pending detection and storage technologies and proprietary methodologies, with its joint venture partner, *ReSolve Énergie Inc.*

The address of its head office is 2700-1000 rue Sherbrooke West, Montréal Québec, H3A 3G4, Canada. The Corporation’s shares trade on the Canadian Securities Exchange (“CSE”) under the symbol “TIM.X”.

Going concern

These interim financial statements, including comparatives, have been prepared using International Financial Reporting Standards (“IFRS[®]”) applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from July 31, 2025.

The Corporation is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there exist material uncertainties that cast significant doubt on the Corporation’s ability to continue as a going concern. There is no assurance that the Corporation’s funding initiatives will continue to be successful and these interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

The Corporation will have to raise additional funds through private placement and other equity financings and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

See Note 10. Subsequent Events for related information.

2. Basis of presentation**Statement of Compliance**

These interim financial statements have been prepared in accordance with *International Financial Reporting Standards* (“IFRS[®]”) as issued by the *International Accounting Standards Board* (“IASB”) and as adopted by the *Canadian Accounting Standards Board* (“AcSB”).

The interim financial statements comply with all applicable requirements of IFRS, including all *International Accounting Standards* (“IAS”) and Interpretations issued by the *IFRS Interpretations Committee* (“IFRIC”) and its predecessor, the *Standing Interpretations Committee* (“SIC”), that are effective as at the reporting date.

The financial statements were authorized for issue by the Board of Directors on September 24, 2025.

Basis of Measurement

These interim financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the material accounting policies in note 3. The Company’s presentation currency and functional currency is the Canadian Dollar.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

3. Material accounting policy information

The principal accounting policies have been consistently applied to all years and are set out below:

Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in the Statements of Loss and Comprehensive Loss, except for differences arising on the translation of available for sale equity instruments that are recorded in other accumulated comprehensive income

Financial instruments

a) Classification

Financial Assets/Liabilities	Classification
Cash and cash equivalents	Financial asset at amortized cost
Receivables	Financial asset at amortized cost
Prepaid expenses	Financial asset at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Payable to a related party	Financial liabilities at amortized cost

The Corporation determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Corporation'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"). Financial liabilities are recognized initially at fair value, and are subsequently classified and measured at amortized cost, or 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 the Corporation has opted to recognize a financial liability at FVTPL, any changes associated with the Corporation's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Corporation 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 Corporation measures the loss allowance for the financial asset at an amount equal

to twelve month expected credit losses. The Corporation 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 equivalents

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

Joint Ventures

The Corporation accounts for its interests in joint ventures using the equity method as prescribed by IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures*.

Under the equity method, investments are initially recognized at cost and subsequently adjusted for the Corporation's share of the JV's profit or loss and other comprehensive income, in the Statements of Earnings (Loss) and Other Comprehensive Earnings (Loss) and Deficit, respectively. Distributions received from the joint venture reduce the carrying amount of the investment.

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 Corporation adjusted by a discount for lack of marketability for any restriction or, after the Corporation being listed, their fair value according to the quoted price on the date of the conclusion of the agreement.

Unit placements

The Corporation 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 fair value of warrants, the Corporation used the Black Scholes option model which incorporates assumptions such as the Corporation's share price, term of the warrant, expected share price volatility, dividend yield and the risk-free interest rate. Warrants include fair value allocated to the 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.

Debt for Equity Settlements

When financial liabilities are extinguished by issuing common shares, such common shares are measured at their fair value, or if not reliably measurable, the fair value of the liability extinguished is used. The difference between the carrying amount of the liability and the fair value of the common shares issued is recognized in contributed surplus if settlement is with a shareholder or profit or loss if settlement is with a creditor.

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 repurchased shares.

Share-based payments

Stock options plan

The Corporation operates an equity-settled share-based payment plan for its eligible directors, officers, and employees. The Corporation'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 Corporation cannot estimate reliably the fair value of the goods or services received, the Corporation 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 Corporation 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.

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 Corporation 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 Corporation 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.

Use of estimates and judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

Impairment

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

Settlement of debts with shareholders and contractors

During the reporting period, the Company settled certain outstanding debts with parties who hold dual roles as both shareholders and creditors. These transactions required significant judgment to determine the appropriate classification and accounting treatment, particularly in assessing the capacity in which the parties acted when settling the debts.

Management evaluated the substance of each transaction to determine whether the settlement was made in the capacity of a shareholder (i.e., as a capital contribution or equity transaction) or as a creditor (i.e., as a financial liability extinguishment). This assessment considered the contractual terms, the nature of the relationship, the intent of the parties, and any supporting documentation or board resolutions.

Where the settlement was deemed to be in the capacity of a shareholder, the transaction was accounted for as an equity contribution and recognized directly in equity. Conversely, where the settlement was determined to be in the capacity of a creditor, the transaction was assessed under IFRS 9 – Financial Instruments, and any gain or loss on extinguishment was recognized in profit or loss.

This judgment is critical as it affects the presentation of the financial statements and the related disclosures under IAS 1 and IAS 24.

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 Corporation 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 adjusted for discount for lack of marketability (“DLOM”).

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 Corporation, assumptions are required to be made for expected life and forfeitures.

New Accounting Policies Not Yet Adopted

The Corporation has not yet adopted certain new standards, amendments and interpretations to existing standards effective for accounting periods beginning on or after October 1, 2024 or later periods. The new and amended standards are not expected to have a material impact on the Corporation except for the below standards.

IFRS 9: *Financial Instruments* requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard also provides guidance on the derecognition of financial liabilities.

Amendments to IFRS 9 and IFRS 7: *Financial Instruments, Disclosures*, effective for reporting periods beginning on or after January 1, 2026, address classification and measurement of financial instruments. The Corporation is assessing the impact of these amendments on its financial statements.

IFRS 18: *Presentation and Disclosure in Financial Statements* aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Corporation is currently assessing the impact on its financial statements.

IAS 21: The Effects of Changes in Foreign Exchange Rates

IAS 21 outlines how to account for transactions in foreign currencies and how to translate financial statements of foreign operations into a presentation currency and is effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendment addresses situations where a foreign currency is not exchangeable into another currency (e.g., due to government restrictions or illiquidity in the market). It provides a definition of exchangeability, guidance on determining the exchange rate to use when exchangeability is temporarily or permanently lacking and required disclosures to enhance transparency.

The Corporation is currently evaluating the impact of this amendment which is not expected to have a material impact on the financial statements.

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 Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policy for the first period beginning after the effective date of each pronouncement.

Information on new standards, amendments and interpretations have been issued but are not expected to have a material impact on the financial statements.

4. Exploration and evaluation expenditures

The Corporation expenses all exploration and evaluation expenditures to the Statements of Loss, Comprehensive Loss and Deficit.

QNB holds the Kingsville Salt Project, an exploration project located in the area of Kingsville, on Nova Scotia's Cape Breton Island, approximately 20 km north of the Port Hawkesbury / Point Tupper industrial area in the Strait of Canso. The project is being reviewed for the presence of a natural reservoir and salt occurrences to capture and store carbon gas for industrial operations. Certain non-essential claims along the southern edge of the property package were allowed to expire in April 2025.

5. Interest in ReSolve Hydrogen Inc.

In January 2025, QNB finalized the joint venture agreement with *Resolve Energie Inc.* whereby it acquired a 49.9% interest (50.1% *Resolve Energie Inc.*) in a newly created corporation named *ReSolve Hydrogen Inc.* ("RHI") in exchange for total consideration of i) 4,000,000 common shares of the Corporation; and ii) a \$50,000 cash payment to *Resolve Energie Inc.* RHI was transferred from *ReSolve Energie Inc.* three patent-pending technologies on hydrogen detection and storage/production and 119 highly prospective mineral exploration claims across 7 claim blocks, covering 6,613 hectares (66 km²) in Northern Quebec.

The Investment in ReSolve Hydrogen Inc. ("RHI"), over which the Corporation has joint control, is reported using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and subsequently adjusted for the Corporation's share of the associate's net income (loss), and other comprehensive income (loss). Given no operations in RHI since inception in January 2025, there was no equity pickup as there was no net income (loss), and other comprehensive income (loss) in RHI.

The fair value of the *ReSolve Hydrogen Inc.* was reported on the Statement of Financial Position using the share price at the date of issuance which amounted to \$340,000 less \$40,800 reflecting a DLOM for the four month exchange hold period. *Resolve Hydrogen Inc.* had no activity or operations from the date of incorporation. No indicators of impairment were identified as at the end of the year.

6. Share Capital

Authorized share capital

The Corporation is authorized to issue an unlimited number of Common shares without par value.

Capital stock transactions

In January 2025, QNB acquired a 49.9% interest (50.1% *ReSolve Energie Inc.*) in a newly created corporation named *ReSolve Hydrogen Inc.* in exchange for total consideration to *ReSolve Energie Inc.* of i) 4,000,000 common shares of the Corporation at a deemed price of \$0.10 and ii) a \$50,000 cash payment. The fair value of the *ReSolve Hydrogen Inc.* was reported on the Statement of Financial Position using the share price at the date of issuance which amounted to \$340,000 less \$40,800 reflecting a DLOM for the four month exchange hold period.

In November 2024, the Corporation completed a private placement financing of \$510,000 in gross proceeds (the "Financing") and issued 10,200,000 units at a price of \$0.05 per unit ("Units") comprised of one common share and one purchase warrant exercisable at \$0.075 for eighteen months from closing. The purchase warrants are subject to an accelerated expiry if the volume weighted average trading price of the common shares is equal to or greater than \$0.10 for a period of ten (10) consecutive trading days. There was a total of \$20,184 in cash finders' and other fees paid, 310,000 broker compensation warrants under the same terms as the purchase warrants, and 50,000 broker compensation warrants exercisable at \$0.14 for eighteen months from closing. Insiders subscribed for \$7,500 or 150,000 units of the Financing. Other issue costs were \$10,153.

In November 2024, the Corporation issued 6,100,000 common shares ("Shares") to settle \$305,000 in debt to shareholders and contractors. The fair value of the Shares to the contractors at the issue date was \$60,000 and a \$20,000 loss on debt settlement was reported on the Statement of Loss, Comprehensive Loss and Deficit and as a reduction of share capital on the Statement of Changes in Shareholders' Equity. The transaction with the shareholders amounting to \$265,000 was reported as shareholder transactions with fair value adjustments recorded directly in the Statement of Changes in Shareholders' Equity. A total of 5,060,000 Shares were issued to the former President and CEO, 240,000 Shares to a former director, and 800,000 Shares to an arm's length contractor. A former director subscribed for \$7,500 or 150,000 units of the private placement financing completed in November 2024.

Warrants

In November 2024, in conjunction with the private placement financing of \$510,000, the Corporation issued 10,200,000 purchase warrants exercisable at \$0.075 with an expiry date of May 2026. The purchase warrants are subject to an accelerated expiry if the volume weighted average trading price of the common shares is equal to or greater than \$0.10 for a period of ten (10) consecutive trading days ("Accelerated Expiry").

In connection with the November 2024 financing, the Corporation issued 310,000 broker compensation warrants exercisable at \$0.075. The estimated fair value, with an eighteen (18) month term, was \$25,705 using the Black Scholes valuation model and was reported as non cash Issue Costs on the Statement of Changes in Equity.

In connection with the November 2024 financing, the Corporation issued 50,000 broker compensation warrants exercisable at \$0.14, both with an expiry date of May 2026. The estimated fair value, with an eighteen (18) month term, was \$3,734 using the Black Scholes valuation model and was reported as non cash Issue Costs on the Statement of Changes in Equity.

Warrant details are as follows:

			Three months ended July 31, 2025	Year ended April 30, 2025
	Exercise Price	Expiry Date	#	#
Outstanding, beginning of period				
Purchase warrants	\$0.075	May 2026	10,200,000	-
Broker warrants	\$0.075	May 2026	310,000	-
Broker warrants	\$0.140	May 2026	50,000	-
Purchase warrants	\$0.40	Jun 2025	1,300,000	1,300,000
Purchase warrants	\$0.40	Oct 2025	850,000	850,000
			12,710,000	2,150,000
Issued during the period				
Purchase warrants ¹	\$0.075	May 2026	-	10,200,000
Broker warrants ²	\$0.075	May 2026	-	310,000
Broker warrants ³	\$0.140	May 2026	-	50,000
			-	10,560,000
Expired during the period				
Purchase warrants ⁴	\$0.40	Jun 2025	(1,300,000)	-
			(1,300,000)	-
Outstanding, end of period				
Purchase warrants	\$0.075	May 2026	10,200,000	10,200,000
Broker warrants	\$0.075	May 2026	310,000	310,000
Broker warrants	\$0.140	May 2026	50,000	50,000
Purchase warrants	\$0.40	Oct 2025	850,000	850,000
Purchase warrants	\$0.40	Jun 2025	-	1,300,000
			11,410,000	12,710,000

- (1) In November 2024, in connection with the \$510,000 private placement, the Corporation issued 10,200,000 purchase warrants exercisable at \$0.075. The estimated fair value, with an eighteen (18) month term, was \$309,000 using the Barrier pricing model. The weighted average grant date fair value was \$0.03 per warrant. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 3.00%, term: 18 months, expected volatility: 185%, and expected dividend yield: 0.00%.
- (2) In November 2024, in connection with the \$510,000 private placement, the Corporation issued 310,000 broker compensation warrants exercisable at \$0.075. The estimated fair value, with an eighteen (18) month term, was \$25,705 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.083 per warrant. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 3.00%, term: 18 months, expected volatility: 185%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.
- (3) In November 2024, in connection with the \$510,000 private placement, the Corporation issued 50,000 broker compensation warrants exercisable at \$0.14. The estimated fair value, with an eighteen (18) month term, was \$3,734 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.075 per warrant. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 3.00%, term: 18 months, expected volatility: 185%, expected dividend yield: 0.00%, and forfeiture rate: 0.
- (4) In June 2025, 1,300,000 purchase warrants expired unexercised.

Share-based payments

The Corporation 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 Corporation and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously

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For the three months ended July 31, 2025

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 Corporation receives the goods or services.

In April 2025, the Corporation granted 200,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.05, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$9,875 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.05 per stock option.

In December 2024, the Corporation granted 500,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.08, with immediate vesting, and a five-year term. The estimated fair value, with a five-year term and immediate vesting, was \$39,941 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.08 per stock option.

In November 2024, the Corporation granted 650,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.08, with immediate vesting, and a five-year term. The estimated fair value, with a five-year term and immediate vesting, was \$51,924 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.08 per stock option.

In September 2024, the Corporation granted 1,600,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.075, with immediate vesting, and a five-year term. The estimated fair value, with a five-year term and immediate vesting, was \$79,995 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.05 per stock option.

The outstanding stock option details follow:

	Three months ended July 31, 2025		Year ended April 30, 2025	
	Weighted Average Exercise	# Options	Weighted Average Exercise Price	# Options
Outstanding, beginning of period	\$0.08	2,550,000	\$0.10	1,000,000
Transactions during the period:				
Granted ⁽¹⁾	-	-	0.08	2,950,000
Expired ⁽²⁾	-	-	0.09	(1,400,000)
Outstanding, end of period	\$0.08	2,550,000	\$0.08	2,550,000
Weighted average remaining contractual life (years)	4.15		4.40	
Exercisable, end of period	\$0.08	2,550,000	\$0.08	2,550,000

⁽¹⁾ In April 2025, the Corporation granted 200,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.05, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$9,875 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.05 per stock option. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 3.00%, term: 5 years, expected volatility: 221%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In December 2024, the Corporation granted 500,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.08, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$39,942 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.08 per stock option. The underlying assumptions used in the

estimation of the fair values were, as follows: risk free rate: 3.00%, term: 5 years, expected volatility: 282.77%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In November 2024, the Corporation granted 650,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.08, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$51,924 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.08 per stock option. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 3.00%, term: 5 years, expected volatility: 282.71%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In September 2024, the Corporation granted 1,600,000 incentive stock options to officers, directors, and consultants to purchase common shares at an exercise price of \$0.075, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$79,995 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.05 per stock option. The underlying assumptions used in the estimation of the fair values were, as follows: risk free rate: 3.00%, term: 5 years, expected volatility: 360%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

(2) In Q3 2025, 450,000 stock options expired unexercised. In Q4 2025, an additional 950,000 stock options expired unexercised.

7. Income taxes

The Corporation's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the three months ended July 31, 2025 (26.5%) and April 30, 2025 (26.5%), has been reconciled as follows:

	Three months ended July 31, 2025 \$	Year ended April 30, 2025 \$
Loss before income taxes	(134,209)	(479,095)
Expected income tax recovery	(35,565)	(126,960)
Increase (decrease) in income tax resulting from:		
Non-deductible expenses and other	-	53,460
Tax benefits not recognised	35,565	73,500
Deferred tax (recovery)	-	-
Composition of deferred taxes in the income statement		
Origination and reversal of tax benefits	(35,565)	(73,500)
Temporary difference not recognized	35,565	73,500
Deferred tax (recovery)	-	-

The Corporation has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Three months ended July 31, 2025 \$	Year ended April 30, 2025 \$
Deferred tax assets:		
Issuance costs and other	39,992	50,115
Exploration and evaluation assets	1,025,558	1,025,558
Non-capital losses	1,259,000	1,234,000
Unrecognized deductible temporary differences	2,324,550	2,309,673

The Corporation has non-capital losses of \$1,259,000 (April 30, 2025: \$1,234,000) available for deduction against future taxable income, the balances of which will expire as follows:

Year of expiry	Three months ended July 31, 2025 \$	Year ended April 30, 2025 \$
2040	14,000	14,000
2042	301,000	301,000
2043	302,000	302,000
2044	392,000	367,000
2045	250,000	250,000
	1,259,000	1,234,000

The potential tax benefit of the above losses has not been recognized in these financial statements.

8. Related party transactions

The Corporation paid fees of \$37,500 for the three months ended July 31, 2025 (July 31, 2024: \$Nil) to a current officer for President and Chief Executive Officer (“CEO”) services provided to the Corporation under an ongoing consulting agreement. The Corporation paid fees of \$49,000 for the three months ended July 31, 2024 to a former officer for President and CEO services provided to the Corporation under a consulting agreement which ended in fiscal Q2 2025.

The President and CEO advanced a loan bearing an annual interest rate of ten percent in the amount of \$18,663 (April 30, 2025 – \$Nil) during the period to settle certain payables incurred in the normal course of operations. The full amount, including principal and interest, was fully repaid subsequent to the period.

In November 2024, the Corporation issued 5,300,000 common shares (“Shares”) to settle \$265,000 in debt. A total of 5,060,000 Shares were issued to the former President and CEO and 240,000 Shares to a former director. A former director subscribed for \$7,500 or 150,000 units of the private placement financing completed in November 2024.

These transactions, entered in 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.

9. Financial instruments and risk management

The Corporation’s financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Corporation’s objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Corporation’s financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall scientific research and experimental development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

Fair value

The carrying values for primary financial instruments, including cash and equivalents, receivables, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Corporation’s exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with Canadian financial institutions.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Corporation during the year. The objectives and strategy for the scientific research and experimental development portfolio remain unchanged.

The Corporation's mineral exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Corporation's exposure to credit risk is concentrated in four specific areas: the credit risk on operating balances including interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets. No provision against these credit risk areas has been recognized in these financial statements.

The aggregate gross credit risk exposure at July 31, 2025 was \$6,474 (April 30, 2025: \$105,582), and was comprised of \$664 (April 30, 2025: \$99,772) in cash held with Canadian financial institutions with a "AA-" credit rating, and \$5,810 (April 30, 2025: \$5,810) in receivables.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Corporation's primary market risk exposures, and how those exposures are currently managed, follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Corporation has historically had insignificant operations in United States ("US") dollars. The Corporation has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity price risk

Commodity prices, and in particular hydrogen, ethanol, heating pellets, and electricity prices, fluctuate and are affected by factors outside of the Corporation's control. This risk is not applicable as the Corporation is not currently in commercial production. The current and expected future spot prices have a significant impact on the market sentiment for investment and may impact the Corporation's ability to raise equity financing for its ongoing working capital requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Corporation has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Corporation maintains principally all its assets in cash and equivalents.

The Corporation's liabilities were \$325,196 at July 31, 2025 (April 30, 2025: \$240,662) and includes accounts payable due in the normal course of \$286,148 (April 30, 2025: \$185,662), accrued liabilities of \$20,385 (April 30, 2025: \$55,000) and payable to related party of \$18,663 ((April 30, 2025: \$Nil).

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.

10. Subsequent events

On July 8, 2025, the Corporation announced that it has entered into an agreement on to acquire ReSolve Energie Inc. / ReSolve Energy Inc., (“ReSolve”) a privately held company specializing in advanced biofuel technologies. The Corporation executed a share exchange agreement (“Definitive Agreement”) whereby it will acquire all the issued and outstanding common shares of ReSolve in exchange for common shares in the capital of the Corporation (the “Common Shares”) on a post-Consolidated basis at a deemed price of \$0.25 Common Share (the “Proposed Transaction”).

Upon completion of the Proposed Transaction, QNB intends to change its name to “RéSolve Energie Inc. / ReSolve Energy Inc.” and a new trading symbol is expected to be assigned by The Canadian Securities Exchange (“CSE”) for the Resulting Issuer.

As a condition to the completion of the Proposed Transaction, the Corporation or ReSolve will complete a non-brokered private placement financing via the issuance of subscription receipts (the “Subscription Receipts”) at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of a minimum of \$2,500,000 and up to a maximum of \$3,000,000 (the “Financing”). Upon the satisfaction of the escrow release conditions, each Subscription Receipt will automatically convert into one post-Consolidated Common Share.

Concurrent with the Proposed Transaction, the Corporation will complete a consolidation of its Common Shares on the basis of five (5) pre-consolidation Common Shares for one (1) post-Consolidation Common Share (the “Consolidation”). The Joint Venture will be terminated pursuant to the terms of the Definitive Agreement. The post-Consolidation Common Shares to be issued pursuant to the Proposed Transaction and Financing will be issued pursuant to exemptions from the prospectus requirements of applicable securities legislation.

On July 31, 2025, the Corporation announced the approval of each of the matters set out in the Corporation’s Management Information Circular dated July 4, 2025 at the 2025 Annual and Special Meeting of Shareholders held via webcast on July 30, 2025. All items of business were approved including the Proposed Transaction and Change of Business, share consolidation and name change.

On September 4, 2025, the Corporation announced conditional approval of the corporation’s Form 2A Listing Statement from the Canadian Securities Exchange. The Canadian Securities Exchange (“CSE”) has approved the Corporation. Fundamental Change (Resulting Issuer anticipated to be named ReSolve Energy Inc.) for listing subject to various normal course conditions. A restart of trading is expected upon closing of the transaction.