

QNB Set Terms to Acquire ReSolve Energie, Leading Hydrogen & Biofuel Technology

Montreal, Quebec, May 16, 2025 – QNB Metals Inc. (CSE: TIM.X) (USOTC: QNBMF) announces a non-binding letter of intent to acquire all the issued and outstanding shares of *ReSolve Energie Inc.*, a private company with leading hydrogen and biofuel technology.

Ian C. Peres, President and Chief Executive Officer of the corporation stated, “The acquisition of *ReSolve Energie* is transformational and provides shareholders with disruptive, patent pending intellectual property for critical green energy initiatives in the hydrogen and biofuel space, already supported by government grants.”

Mr. Peres added, “The biofuel technology is unique and innovative in its ability to convert tree bark and other biomass, an otherwise low value byproduct of the logging industry, into ethanol, high calorific energy lignin heating pellets, and electricity through cogeneration. With some 13+ million dry metric tonnes¹ of forestry biomass, including 1.9 million tonnes of tree bark, generated in Québec per year, there is ever increasing demand for biofuels and this suite of technology reduces reliance on fossil fuels thereby generating carbon offsets and reducing carbon emissions.”

ReSolve Energie Inc. (“**ReSolve**”) has developed an innovative suite of technology that transforms residual bark and other biomass (such as corn crop residual biomass) into high performance renewable fuels including second-generation ethanol and lignin pellets, in addition to electricity:

- *Ethanol* is sold into a regulated market with mandated blending volumes, and demand is growing as jurisdictions raise renewable fuel quotas - Québec alone is expected to consume in excess of 1 billion litres² annually as the province aims for 15% ethanol in gasoline and 10% biodiesel in diesel fuel by 2030. Unlike first-generation ethanol derived from food crops, ReSolve’s ethanol uses low-cost forestry residues and such cellulosic ethanol is well known to achieve up to 86% greenhouse gas reduction³, making it one of the most climate-effective liquid biofuels on the market;
- *Lignin Pellets*, with their superior energy density and industrial utility, command premium pricing compared to conventional wood pellets, especially in hard-to-decarbonize industrial sectors;
- *Electricity* will be produced on-site through cogeneration to meet the energy needs of the plant, with significant excess generation sold to the electricity grid. Cogeneration, or combined heat and power, is the concurrent production of electricity and useful thermal energy from a single source of energy.

This biofuel initiative is modular, scalable and optimized with a phased approach:

- 1) **Pilot Plant:** The initial pilot plant construction and testing has been completed. The proof of concept in this first stage confirmed the patent-pending technology is fully functional and yielded favorable, anticipated results and was critical in ReSolve obtaining and qualifying for government subsidies to date;
- 2) **Demonstration Plant:** The proof of scalability and continuous operation of a fully integrated demonstration plant over a 6 month period will generate specific technical, engineering, and operational data necessary to advance permitting and feasibility detailed design of the first commercial plant. The capital expenditure (“CAPEX”) of \$5 million will be financed through a Financing (outlined herein), reimbursable scientific research and experimental development credits (“SRED”) and anticipated government subsidies up to 50% of the CAPEX;

¹ Inventory of biomass available to produce bioenergy and portrait of bioenergy production in Quebec, WSP Canada Inc. 2021

² Federal Clean Fuel Regulations (CFR) anticipate a nationwide increase in ethanol usage by 700 million litres by 2030. Québec represents a significant portion of Canada’s fuel market and it’s reasonable to infer that the province’s consumption could rise proportionally exceeding 1 billion litres annually by 2030.

³ Michael Wang, May Wu and Hong Huo. Life-cycle energy and greenhouse gas emission impacts of different corn ethanol plant types. Environmental Research Letters, 2007

- 3) **Commercial Plant:** The first commercial plant, with construction to commence during the operation of the demonstration plant, with an annual capacity of 15,000 tonnes is expected to be financed through a combination of government subsidies, reimbursable SRED credits, government-sponsored foundation and institutional debt, and equity. Initial modeling has yielded a short payback period with positive cashflow. A modular add-on is planned to double annual capacity to 30,000 tonnes;
- 4) **Additional Commercial Plants:** rollout of commercial plants to support heavy industries such as lumber and cement.

This ReSolve technology has been identified as a priority by the *Government of Quebec*, and was previously approved for \$11.5 million in subsidies. These subsidies were not accessed due to a revision of the project resulting in materially lower upfront investment costs. It is anticipated that government subsidies could reach up to 75% of the CAPEX of the demonstration plant, as this technology is one of the government's top priorities in reducing greenhouse gas emissions in the two most polluting sectors in Quebec, namely transportation and heavy industries.

ReSolve's technology in the creation of lignin pellets represents a major leap forward in industrial solid biofuels with a calorific energy value of 27 Gigajoules / tonne (Gj/t), far exceeding traditional wood pellets (18 GJ/t) and black pellets (22 GJ/t). ReSolve's lignin pellets are low carbon emissions at combustion offer a clean-burning option, and being water-resistant, can be stored outdoors without degradation making them ideal for industrial applications. Lignin is an organic substance found in trees and plants, among other things and has the advantage of being renewable and sustainable.

QNB's name is expected to change to ReSolve Energy Inc. with an updated ticker (the "**Name Change**"), and the business of ReSolve Energie is expected to continue in two distinct business segments which will form the **Resulting Issuer**.

ReSolve shareholders are expected to be issued eighteen million QNB common shares in exchange for their common shares held in ReSolve (the "**Transaction**"). QNB common shares are expected to be consolidated at a rate of 1:5 concurrently with this transaction. QNB common shares issued to former ReSolve shareholders are expected to be subject to resale restrictions and released upon the achievement of key milestones.

In connection with the Transaction, ReSolve intends to complete a non brokered private placement financing (the "**Financing**") to raise minimum gross proceeds of \$2,500,000 (the "**Minimum Financing**") and a maximum of \$3,000,000, by way of issuance of subscription receipts (each, a "**Subscription Receipt**") of QNB at a price of \$0.25 per Subscription Receipt. Each Subscription Receipt will automatically convert, without any further action by the holder thereof and for no additional consideration, into one Common Share of Resulting Issuer upon closing of the Transaction. The net proceeds of the Financing will be used to setup and operate the biofuel demonstration plant and for general working capital purposes.

Upon completion of the Transaction and the Minimum Financing, it is expected that: (i) the former QNB shareholders will hold approximately 25 % of the Resulting Issuer Shares; (ii) the former shareholders of ReSolve Energie will hold approximately 48 % of the Resulting Issuer Shares; investors in the Financing will hold approximately 27 % of the Resulting Issuer Shares.

A Definitive Agreement will include a number of conditions precedent to the closing of the Transaction, including, but not limited to, completion of the Minimum Financing within ReSolve (as defined herein), Name Change, approval of the Canadian Securities Exchange including the satisfaction of its listing requirements, and the satisfaction of other closing conditions customary to transactions of this nature. There can be no assurance that the Transaction will be completed, given the letter of intent is non-binding, as proposed or at all. The foregoing is a summary of the Definitive Agreement and is qualified in its entirety by the Definitive Agreement, a copy of which will be made available under QNB's profile on SEDAR+ at www.sedarplus.ca in due course.



In connection with the Transaction and pursuant to the requirements of the CSE, QNB intends to file a listing statement on its issuer profile on SEDAR+ (www.sedarplus.ca), which will contain relevant details regarding the Transaction, ReSolve Energie and the Resulting Issuer.

Trading in the common shares of QNB is expected to be halted once this letter of intent is made binding and the listing statement is filed and will remain halted pending the satisfaction of all applicable requirements of the CSE. There can be no assurance on when trading of common shares of QNB will resume but it is expected to resume upon approval by the CSE of the listing statement and other necessary filings.

About QNB

QNB Metals is exploring for natural or white hydrogen in Ontario and Quebec, using leading patent pending detection and storage technology. The Corporation also holds the Kingsville Salt Reservoir Project in Nova Scotia.

On behalf of the Board of Directors,

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QNB's public documents may be accessed at www.sedarplus.com

Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to, general business, economic, competitive, political, and social uncertainties, and uncertain capital markets. Readers are cautioned that actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law