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## **Q2 METALS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MAY 31, 2025**

**UNAUDITED – PREPARED BY MANAGEMENT**

**(EXPRESSED IN CANADIAN DOLLARS)**

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*The accompanying unaudited condensed interim consolidated financial statements of Q2 Metals Corp. for the three months ended May 31, 2025, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditor.*

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

## Q2 Metals Corp.

### Condensed Interim Consolidated Statements of Financial Position

As at May 31, 2025 and February 28, 2025

Unaudited – prepared by management

(Expressed in Canadian Dollars)

	May 31, 2025 \$	February 28, 2025 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,815,234	12,385,275
GST/QST receivable	597,803	268,252
Amounts receivable	7,214	-
Prepaid expenses	516,916	536,396
Total current assets	8,937,167	13,189,923
Reclamation bonds	17,437	17,437
Exploration and evaluation assets (Note 6)	38,820,814	35,702,873
<b>Total assets</b>	<b>47,775,418</b>	<b>48,910,233</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 9)	1,159,011	1,766,937
Liability for flow-through shares (Note 11)	-	90,857
	1,159,011	1,857,794
Deferred income taxes (Note 13)	266,000	266,000
<b>Total liabilities</b>	<b>1,425,011</b>	<b>2,123,794</b>
<b>Equity</b>		
Issued capital (Note 7)	55,484,353	55,422,828
Equity reserve (Note 7)	8,419,113	8,271,661
Deficit	(17,719,701)	(17,074,814)
<b>Total equity attributable to shareholders</b>	<b>46,183,765</b>	<b>46,619,675</b>
Non-controlling interest (Note 6)	166,642	166,764
<b>Total Equity</b>	<b>46,350,407</b>	<b>46,786,439</b>
<b>Total equity and liabilities</b>	<b>47,775,418</b>	<b>48,910,233</b>

Nature of operations and going concern (Note 1)

Commitments (Note 10)

Subsequent events (Note 14)

These consolidated financial statements were approved by the Board of Directors and authorized for issue on July 18, 2025

(s) Alicia Milne, Director

(s) Leo Power, Director

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

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## Q2 Metals Corp.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

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	2025	2024
	\$	\$
<b>General and administrative expenses</b>		
Accounting and audit fees (Note 9)	31,478	16,660
Advertising and promotion	330,305	104,735
Bank fees and interest expense	2,280	1,607
Consulting fees (Note 9)	150,566	106,170
Director fees (Note 9)	22,500	45,000
Filing and transfer agent fees	7,984	57,093
Insurance	9,863	8,050
Investor relations	105,500	36,000
Office, insurance and administrative	8,942	8,847
Professional fees	11,059	17,855
Share-based compensation (Note 7)	147,452	433,327
	<u>827,929</u>	<u>835,344</u>
<b>Other income</b>		
Flow-through premium recovery (Note 12)	90,857	-
Interest income	92,063	55,727
	<u>182,920</u>	<u>55,727</u>
<b>Net and comprehensive loss</b>	<b>645,009</b>	<b>779,617</b>
<b>Loss attributable to:</b>		
Shareholders of the Company	644,887	779,613
Non-controlling interest (Note 6)	122	4
	<u>645,009</u>	<u>779,617</u>
 Basic and diluted loss per share	 \$ 0.00	 \$ 0.01
Weighted average number of common shares outstanding		
- basic and diluted (Note 8)	147,582,124	89,415,968

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

## Q2 Metals Corp.

### Condensed Interim Consolidated Statements of Cash Flows

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

	2025 \$	2024 \$
<b>Cash flows (used in) operating activities</b>		
Net loss for the period	(645,009)	(779,621)
Non-cash adjustments:		
Share-based payments (Note 7)	147,452	433,327
Flow-through premium recovery	(90,857)	-
Non-cash working capital items:		
Amounts receivable	(336,765)	222,777
Prepaid expenses	19,480	(202,004)
Trade and other payables	(37,485)	(33,025)
<b>Cash flows (used in) operating activities</b>	<b>(943,184)</b>	<b>(358,546)</b>
<b>Cash flows from financing activities</b>		
Warrants exercised	61,525	7,625
<b>Cash flows from financing activities</b>	<b>61,525</b>	<b>7,625</b>
<b>Cash flows (used in) investing activities</b>		
Exploration and evaluation asset expenditures	(3,688,382)	(2,140,888)
<b>Cash flows (used in) investing activities</b>	<b>(3,688,382)</b>	<b>(2,140,888)</b>
Change in cash	(4,570,041)	(2,491,809)
Cash, beginning of period	12,385,275	5,871,420
Cash, end of period	7,815,234	3,379,611
<b>Supplemental information:</b>		
Common shares issued for interest in exploration and evaluation properties (Notes 6 and 7)	\$ -	\$ -

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

## Q2 Metals Corp.

### Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

	Number of Shares	Issued Capital \$	Share Subscriptions Received \$	Equity Reserve \$	Deficit \$	Non-controlling interest \$	Total \$
<b>Balance, February 29, 2024</b>	<b>89,415,968</b>	<b>34,722,587</b>	-	<b>3,514,834</b>	<b>(11,624,780)</b>	<b>166,577</b>	<b>26,779,218</b>
Warrants exercised	25,000	7,625	-	-	-	-	7,625
Share-based payments	-	-	-	433,327	-	-	433,327
Net loss for the period	-	-	-	-	(779,617)	(4)	(779,621)
<b>Balance, May 31, 2024</b>	<b>89,440,968</b>	<b>34,730,212</b>	-	<b>3,948,161</b>	<b>(12,404,397)</b>	<b>166,573</b>	<b>26,440,549</b>

  

	Number of Shares	Issued Capital	Share Subscriptions Received	Equity Reserve	Deficit	Non-controlling interest	Total
<b>Balance, February 28, 2025</b>	<b>147,582,124</b>	<b>55,422,828</b>	-	<b>8,271,661</b>	<b>(17,074,814)</b>	<b>166,764</b>	<b>46,786,439</b>
Warrants exercised	123,050	61,525	-	-	-	-	61,525
Share-based payments	-	-	-	147,452	-	-	147,452
Net loss for the period	-	-	-	-	(644,887)	(122)	(645,009)
<b>Balance, May 31, 2025</b>	<b>147,705,174</b>	<b>55,484,353</b>	-	<b>8,419,113</b>	<b>(17,719,701)</b>	<b>166,642</b>	<b>46,350,407</b>

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

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## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

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

Q2 Metals Corp. ("Q2 Metals" or the "Company") was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company is principally engaged in the business of exploring and developing critical, base, and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at Suite 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

On January 9, 2023, the Company changed its name from Queensland Gold Hills Corp to Q2 Metals Corp. The Company's shares are listed on Tier 2 of the TSX Venture Exchange in Canada ("QTWO"), the Frankfurt Stock Exchange in Germany ("458"), and the OTCQB ("QUEXF").

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Project title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at May 31, 2025, the Company had not earned revenue and had an accumulated deficit of \$17,719,701 (February 28, 2025 - \$17,074,814), cash and cash equivalents of \$7,815,234 (February 28, 2025 - \$12,385,275), and working capital of \$7,512,156 (February 28, 2025 - \$11,332,129). The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

#### 2. Material accounting policy information

##### *Statement of compliance*

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), and International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Accounting Standards Board ("IASB").

##### *Basis of presentation and consolidation*

The consolidated financial statements have been prepared on the historical cost basis, except for cash and cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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## **Q2 Metals Corp.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the three months ended May 31, 2025 and 2024**

**Unaudited – prepared by management**

**(Expressed in Canadian Dollars)**

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## **2. Material accounting policy information (Continued)**

### ***Basis of presentation and consolidation (Continued)***

The consolidated financial statements include the financial statements of the Company, its wholly owned subsidiary Orefox Exploration Pty Ltd., and 95% ownership of Big Hill Gold Mining Company Pty Ltd. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

### ***Presentation and functional currency***

These consolidated financial statements are presented in the Canadian dollar functional currency, the currency of the primary economic environment in which the Company and its subsidiaries operate.

### ***Accounting Policies***

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 2 of the audited financial statements for the year ended February 28, 2025. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended February 28, 2025.

## **3. Critical judgements and estimation uncertainties**

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

### ***Going concern***

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

### ***Capitalization of exploration and evaluation expenditures***

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation expenditures.



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## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

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### 3. Critical judgements and estimation uncertainties (Continued)

#### *Impairment of exploration and evaluation assets*

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

#### *Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

### 4. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of metallic resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, equity reserve and accumulated deficit, which totaled \$46,350,407 at May 31, 2025 (February 28, 2025 - \$46,786,439).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and cash equivalents and other short-term guaranteed deposits, all held with select major Canadian chartered banks and financial institutions.

The Company is currently attempting to identify economic base and precious metal resources with an emphasis on lithium, gold, zinc, and silver, and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- (i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- (ii) minimizing discretionary disbursements; and
- (iii) exploring alternative sources of liquidity.

(iv) In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended May 31, 2025 and the year ended February 28, 2025.

## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

#### 5. Financial instruments and financial risk factors

##### Fair value measurements

	May 31, 2025	February 28, 2025
<b>Financial assets</b>		
<i>FVPL, measured at fair value</i>		
Cash and cash equivalents	\$ 7,815,234	\$ 12,385,275
Reclamation bonds	17,437	17,437
<b>Financial liabilities</b>		
<i>Other liabilities, measured at amortized cost</i>		
Trade and other payables	\$ 1,159,011	\$ 1,766,937

##### Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at May 31, 2025, the Company's financial instruments are comprised of cash and cash equivalents, reclamation bonds, trade and other payables. The carrying value of these financial instruments approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

##### At May 31, 2025

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 7,815,234	\$ -	\$ -	\$ 7,815,234
Reclamation bonds	17,437	-	-	17,437
Total	\$ 7,832,671	\$ -	\$ -	\$ 7,832,671

##### At February 28, 2025

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 12,385,275	\$ -	\$ -	\$ 12,385,275
Reclamation bonds	17,437	-	-	17,437
Total	\$ 12,402,712	\$ -	\$ -	\$ 12,402,712

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## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

Unaudited – prepared by management

(Expressed in Canadian Dollars)

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#### 5. Financial instruments and financial risk factors (Continued)

##### Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes in the risks, objectives, policies and procedures from the previous year.

##### Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2025, the Company had cash and cash equivalents of \$7,815,234 (February 28, 2025 - \$12,385,275) to settle current liabilities of \$1,159,011 (February 28, 2025 - \$1,857,794). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

##### Market risk

###### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks and financial institutions. The Company regularly monitors compliance to its cash management policy.

###### (b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

###### (c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

###### (d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

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## **Q2 Metals Corp.**

**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended May 31, 2025 and 2024**  
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### **6. Interest in exploration properties and exploration and evaluation expenditures**

#### **Cisco Project, Quebec**

On June 12, 2024, the Company completed the closing of three individual option agreements which granted the exclusive right and option to acquire a 100% interest in three groups of mineral claims collectively known as the Cisco Project, located in the southern portion of Eeyou Istchee James Bay, Quebec, Canada. Under the terms of the three individual Option Agreements, the aggregate consideration payable for the Cisco Project is \$2,400,000 cash (\$1,500,000 paid), 60,000,000 common shares (20,000,000 shares issued with a fair value of \$5,600,000) of the Company and exploration expenditures of \$12,000,000, broken down on a per option agreement basis as follows:

#### ***Cisco Claim Group***

The Company entered into an option agreement with 9490-1626 Quebec Inc. (the “Cisco Vendor”) to acquire a 100% interest in 121 mineral claims (the “Cisco Claims”) by paying total consideration of an aggregate of 40,000,000 common shares (10,000,000 shares issued with a fair value of \$2,800,000 during the year ended February 28, 2025 and 16,500,000 issued with a fair value of \$8,580,000 subsequent to May 31, 2025), \$2,000,000 cash (\$1,100,000 paid during the year ended February 28, 2025 and \$500,000 paid subsequent to May 31, 2025) and conduct \$12,000,000 in exploration expenditures, over a four-year period. The Cisco Vendor will retain a 4% gross metals returns royalty (“GMR”) on the Cisco Claims (the “Cisco GMR”), of which up to 3% of the Cisco GMR can be repurchased by the Company at any time after the option for the Cisco Claims is exercised and prior to commercial production. The Company may repurchase the first 1% for \$1,500,000, the next 1% for \$3,000,000 and the Company has a right of first refusal on the next 1%. The foregoing Cisco GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company. The Cisco Vendor will also be paid a cash bonus of \$2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on the Cisco Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li2O.

#### ***Broadback Claims***

On June 12, 2024, the Company entered into an option agreement (the “Broadback Agreement”) with 9219-8845 Quebec Inc (“CMH”), Steven Labranche and Anna-Rosa Giglio (the “Broadback Vendors”), to acquire a 100% interest in 24 mineral claims (the “Broadback Claims”) from the Broadback Vendors. The Company must pay to the Broadback Vendors total consideration of an aggregate of 10,000,000 common shares (5,000,000 shares issued with a fair value of \$1,400,000) and \$200,000 cash (paid). CMH and Ressources Broadback Inc. have been granted a 3% GMR on the Broadback Claims (the “Broadback GMR”), of which up to 2% of the Broadback GMR can be repurchased by the Company at any time prior to commercial production for \$1,000,000 for the first 1% and \$2,000,000 for the next 1%. The foregoing Broadback GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company.

#### ***Ouagama Claims***

On June 12, 2024, the Company entered into an option agreement (the “Ouagama Agreement”) with CMH, Steven Labranche, Anna-Rosa Giglio, Trent Potts and Potts of Gold Resources Pty Ltd. (the “Ouagama Vendors”), to acquire a 100% interest in 77 mineral claims (the “Ouagama Claims”) from the Ouagama Vendors. The Company must pay to the Ouagama Vendors total consideration of an aggregate of 10,000,000 Common Shares (5,000,000 shares issued with a fair value of \$1,400,000) and \$200,000 (paid). The Ouagama Vendors have been granted a 3% GMR on the Ouagama Claims (the “Ouagama GMR”), of which up to 2% of the Ouagama GMR can be repurchased by the Company at any time prior to commercial production for \$1,000,000 for the first 1% and \$2,000,000 for the second 1%. The foregoing Ouagama GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company.

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## Q2 Metals Corp.

Notes to Condensed Interim Consolidated Financial Statements  
For the three months ended May 31, 2025 and 2024  
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### 6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

#### *Expansion Claims*

On November 26, 2024, as amended and restated on December 17, 2024, the Company entered in an option agreement (the “Expansion Agreement”) with CMH and Anna-Rosa Giglio (the “Expansion Vendors”) to acquire a 100% interest in 545 mineral claims (the “Expansion Cisco Claims”). The Company must pay to the Expansion Vendors an aggregate of \$2,400,000 over a period of 42 months (\$150,000 paid during the year ended February 28, 2025, \$150,000 paid during the three months ended May 31, 2025, and \$300,000 paid subsequent to May 31, 2025.) and complete \$1,200,000 of exploration expenditures during that time. Upon satisfaction of the above payments and expenditures, the Company will earn a 100% interest in the Expansion Claims. The Expansion Vendors will retain a 3% GMR on the Expansion Claims except the Soquem Claims (as defined below), of which up to 2% of the GMR may be purchased by the Company at any time prior to commercial production for \$1,000,000 on the first 1% and \$2,000,000 on the next 1%. The foregoing GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company and subject to regulatory approval. Certain of the Expansion Claims (the “Soquem Claims”) bear a 2% net smelter returns royalty (the “NSR”) in favour of Soquem Inc. The Company assumed the rights and obligations under the NSR, which included the right to repurchase 1% of the NSR for \$500,000. In addition, the Company granted the Expansion Vendors a 1% GMR on the Soquem Claims. The Expansion Vendors will also be paid a bonus of \$2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on the Expansion Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li<sub>2</sub>O.

#### **Mia Project, Quebec**

On November 21, 2022, the Company entered into an agreement with CMH and certain investors in CMH (“CMH Nominees”) to acquire a 100% interest in the 86 square kilometre Mia Lithium Project (the “Mia Project”). The Mia Project is comprised of 171 mineral claims and located 62 km East of Wemindji Community in the Eeyou Istchee James Bay Territory, Quebec, Canada.

To acquire a 100% interest in the Mia Project, the Company must:

- Issue to CMH and the CMH Nominees 6,500,000 common shares (issued) and pay \$200,000 within 3 days of TSXV acceptance of the acquisition (the “Effective Date”) (paid);
- Issue to CMH and the CMH Nominees 6,500,000 common shares and pay \$150,000 on the six-month anniversary of Effective Date (issued and paid);
- Incur \$1,000,000 in exploration expenditures on the Project within one year of the agreement (incurred); and
- Pay to CMH and the CMH Nominees \$150,000 on the one-year anniversary of the Effective Date (paid).

The Company earned a 100% interest in the Project on the closing date of October 11, 2023.

CMH retained a 3% net smelter returns royalty (‘NSR’) on the Mia Project (the “Mia NSR”), of which, up to 1% may be repurchased by the Company for \$1,000,000 at any time prior to commercial production. CMH subsequently assigned 2% of the Mia NSR on 28 claims in favour of Franco-Nevada Corporation (the “Franco-Nevada NSR”). Separately, CMH assigned 2% of the Mia NSR on certain other mineral claims forming part of the Mia Project in favour of Eastmain Resources Inc. (the “Eastmain NSR”). As a result, CMH retains a 1% NSR on the claims that are part of the Franco-Nevada NSR and Eastmain NSR’s and a 3% NSR on all other claims. The Eastmain NSR was extinguished by CMH on August 16, 2023. The Company assumed the obligations under the existing royalties.

On November 2, 2023, the Company entered into an agreement with CMH to repurchase 2% of the Mia NSR on all claims that are not part of the Franco-Nevada NSR for total consideration of \$1,280,400. The consideration is payable in a combination of cash and common shares of the Company. Lithium Royalty Corp. acquired the remaining 1% NSR held by CMH on all claims comprising the project. During the year ended February 29, 2024, the Company completed the acquisition of the NSR by issuing 1,400,000 common shares with a fair value of \$392,000 and making aggregate cash payments of \$888,400. As at February 28, 2025 and February 29, 2024, Franco Nevada Corporation holds a 2% NSR on 28 claims comprising the Mia Project and Lithium Royalty Corp. holds a 1% NSR on all Mia Project claims.

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## **Q2 Metals Corp.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**For the three months ended May 31, 2025 and 2024**

**Unaudited – prepared by management**

**(Expressed in Canadian Dollars)**

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#### **6. Interest in exploration properties and exploration and evaluation expenditures (Continued)**

##### **Stellar Lithium Project, Quebec**

On March 2, 2023, the Company acquired the “Stellar Lithium Project” for the cost of staking. The Stellar Lithium Project is comprised of 77 claims totaling 3,972 hectares in the James Bay district of Quebec, Canada.

##### **Big Hill Gold Property, Australia**

In December 2021, the Company acquired an 95% interest of Big Hill Gold Mining Company Pty Ltd. ACN 474 179 (“Big Hill”), a private Australian company. Big Hill holds a 100% interest in an exploration permit and two mining licenses comprising the Big Hill Gold Property located in Queensland, Australia. In consideration for the interest in Big Hill, the Company issued 17,500,000 common shares of the Company and paid \$275,325 (AU\$300,000) in cash.

As a result of the transaction, the Company recorded the pro-rata fair value of the non-controlling interest’s portion of the net assets of Big Hill at the time of acquisition to non-controlling interest. The non-controlling interest (5%) can be acquired by the Company at any time for cash of AU\$700,000. Upon the Company acquiring the remaining 5% of Big Hill, the non-controlling interest will receive a 0.75% net smelter royalty.

##### **Titan Gold Project, Australia**

On January 28, 2022, the Company acquired 100% of the issued and outstanding common shares of Orefox Titan Pty Ltd. CAN 640 056 131 (“Orefox Titan”), a private Australian Company. Orefox Titan holds a 100% interest in the Titan Gold Property located contiguous to the Company’s Big Hill Gold project in Queensland Australia. In consideration for the acquisition of Orefox Titan, the Company issued 300,000 common shares valued at \$105,000. At the acquisition date, the net assets of Orefox Titan consisted of the Titan Gold Property.

## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

#### 6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

	Cisco Project	Mia Project	Stellar Project	Big Hill	Titan Gold	Total
<b>Balance, February 29, 2024</b>	\$ -	\$ 18,209,117	\$ 20,981	\$ 3,742,314	\$ 105,000	\$ 22,077,412
<b>Project acquisition costs</b>						
Cash	1,650,000	-	-	-	-	1,650,000
Claim transfer costs	39,790	-	-	-	-	39,790
Shares	5,600,000	-	-	-	-	5,600,000
<b>Project exploration costs</b>						
Assays	423,367	136,855	-	-	-	560,222
Camp	583,004	38,232	-	-	-	621,236
Community relations	24,517	-	-	-	-	24,517
Drilling	1,282,083	-	-	-	-	1,282,083
Fuel	211,936	6,055	-	-	-	217,991
Field supplies and rentals	289,301	14,492	-	-	-	303,793
Geological consulting	1,330,028	152,096	-	-	-	1,482,124
Permits and license fees	29,954	(998)	-	15,575	-	44,531
Surveys	342,008	-	-	-	-	342,008
Travel and transport	1,440,010	17,156	-	-	-	1,457,166
	13,245,998	363,888	-	15,575	-	13,625,461
<b>Balance, February 28, 2025</b>	\$ 13,245,998	\$ 18,573,005	\$ 20,981	\$ 3,757,889	\$ 105,000	\$ 35,702,873
<b>Project acquisition costs</b>						
Cash	150,000	-	-	-	-	150,000
Claim transfer costs	1,347	-	-	-	-	1,347
<b>Project exploration costs</b>						
Assays	215,937	-	-	-	-	215,937
Camp	441,023	-	-	-	-	441,023
Community relations	43,800	-	-	-	-	43,800
Drilling	751,249	-	-	-	-	751,249
Environmental	24,674	-	-	-	-	24,674
Field supplies, fuel, and rentals	176,211	-	-	-	-	176,211
Geological consulting	548,136	-	-	-	-	548,136
Permits, planning, and license fees	14,954	-	-	9,757	2,700	27,411
Surveys	67,043	-	-	-	-	67,043
Travel and transport	671,110	-	-	-	-	671,110
	3,105,484	-	-	9,757	2,700	3,117,941
<b>Balance, May 31, 2025</b>	\$ 16,351,482	\$ 18,573,005	\$ 20,981	\$ 3,767,646	\$ 107,700	\$ 38,820,814

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## Q2 Metals Corp.

Notes to Condensed Interim Consolidated Financial Statements  
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### 7. Share capital

#### Common Shares

(a) *Authorized* - Unlimited number of common shares without par value.

(b) *Issued* - As at May 31, 2025, the Company had 147,705,174 (February 28, 2025– 147,582,124) shares issued and outstanding.

#### ***Issued during the three months ended May 31, 2025:***

During the three months ended May 31, 2025, 123,050 share purchase warrants priced at \$0.50 were exercised for total gross proceeds of \$61,525.

#### ***Issued during the year ended February 28, 2025:***

On June 13, 2024, 20,000,000 shares were issued with a fair value of \$5,600,000 (\$0.28 per share) in connection with the acquisition of the Cisco Project. See Note 6.

On July 31, 2024, the Company closed the first tranche of a non-brokered private placement (the “FT placement”) by issuing 1,142,857 flow-through units of the Company at a price of \$0.35 per unit (the “FT Units”) for gross proceeds of \$400,000. Each FT Unit consisted of one flow-through common shares (each, a “FT Share”) and one half of one share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to acquire one additional non-flow-through common share at a price of \$0.50 for two years. The securities issued pursuant to this first tranche were subject to a hold period expiring on December 1, 2024 in accordance with applicable securities laws or the exchange hold period under the policies of the TSX Venture Exchange (the “TSXV”).

On July 31, 2024, the Company closed the first tranche of a non-brokered private placement (the “NFT placement”) by issuing 8,519,998 non-flow-through units of the Company at a price of \$0.25 per unit (the “NFT Units”) for gross proceeds of \$2,130,000. Each NFT Unit consisted of one non-flow-through common share of the Company and one half of one Warrant. Aggregate finders’ fees of \$23,175 and 57,600 broker warrants were paid to arm’s length finders in connection with the first tranche closing of this non-brokered private placement, with each such broker warrant bearing the same terms as the Warrants.

On August 9, 2024, the Company closed a non-brokered private placement by issuing 8,506,315 charity flow-through units of the Company at a price of \$0.475 per unit (the “Charity Units”) for gross proceeds of \$4,040,500. Each Charity Unit consisted of one FT Share of the Company and one half of one Warrant.

On August 9, 2024, the Company also closed the second and final tranches of the FT and NFT placements by issuing 22,800 FT Units of the Company for gross proceeds of \$7,980 and 1,200,000 NFT Units of the Company for gross proceeds of \$300,000. Aggregate finders’ fees of \$62,250 and 249,000 broker warrants were paid to arm’s length finders in connection with the second tranche, with each such broker warrant bearing the same terms as the Warrants.

During the year ended February 28, 2025, the following warrants and options were exercised:

- 5,474,425 share purchase warrants priced at \$0.305 per share for gross proceeds of \$1,669,700;
- 12,808,333 share purchase warrants priced at \$0.60 per share for gross proceeds of \$7,685,000;
- 240,000 share purchase warrants priced at \$0.50 per share for gross proceeds of \$120,000;
- 51,428 stock options priced at \$0.35 for gross proceeds of \$18,000;
- 100,000 stock options priced at \$0.20 for gross proceeds of \$20,000; and
- 100,000 stock options priced at \$0.42 for gross proceeds of \$42,000.



## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

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(Expressed in Canadian Dollars)

#### 7. Share capital (Continued)

##### Warrants

	May 31, 2025		February 28, 2025	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	9,762,584	\$ 0.50	19,320,258	\$ 0.97
Issued	-	-	10,002,584	0.50
Expired	-	-	(1,037,500)	0.74
Exercised	(123,050)	0.50	(18,522,758)	0.51
Balance, end of period	9,639,534	\$ 0.50	9,762,584	\$ 0.50

The following table summarizes information about warrants outstanding and exercisable at May 31, 2025:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
4,487,177	\$0.50	July 31, 2026	4,487,177	1.17
38,800	\$0.50	July 31, 2026*	38,800	1.17
4,864,557	\$0.50	August 9, 2026	4,864,557	1.19
249,000	\$0.50	August 9, 2026*	249,000	1.19
<b>9,639,534</b>			<b>9,639,534</b>	<b>1.18</b>

\*Indicates broker warrants.

##### Stock Options

The Company has an Equity Incentive Plan (the “Plan”) under which it is authorized to grant options, restricted shares units, performance share units and deferred share units to directors, officers, consultants or employees of the Company. At the Company’s Annual General Meeting on November 27, 2024, the shareholders approved the Company’s equity incentive plan which is composed of (i) a 10% rolling plan, permitting the issuance of up to 10% of the Company’s issued and outstanding shares at any time in respect of stock options and (ii) a 10% fixed plan, permitting the issuance of up to 13,041,422 shares in respect of performance-based awards. A copy of the plan is available to view on SEDAR PLUS.

On May 22, 2024, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.31 per share until May 22, 2029. A fair value of \$433,327 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.31; dividend yield - 0%; expected volatility - 159.40%; risk free interest rate - 3.66%; and expected life - 5 years. The options vested immediately upon grant.

On November 12, 2024, the Company granted 2,600,000 stock options to a consultant. The options are exercisable at the price of \$1.26 per share until November 12, 2028. A fair value of \$2,401,078 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$1.01; dividend yield - 0%; expected volatility - 174.22%; risk free interest rate - 3.13%; and expected life - 4 years. The options vested immediately upon grant.

## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

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(Expressed in Canadian Dollars)

#### 7. Share capital (Continued)

##### Stock Options (Continued)

On December 20, 2024, the Company granted 2,500,000 stock options to directors, officers, and consultants. The options are exercisable at the price of \$0.82 per share unit until December 20, 2029. A fair value of \$1,818,143 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.78; dividend yield – 0%; expected volatility – 161.35%; risk free interest rate – 3.05%; and expected life – 5 years. The options vested immediately upon grant.

	May 31, 2025		February 28, 2025	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Balance, beginning of period	13,502,857	\$ 0.63	7,154,285	\$ 0.39
Exercised	-	-	(251,428)	0.32
Issued	-	-	6,600,000	0.88
Balance, end of period	13,502,857	\$ 0.63	13,502,857	\$ 0.63

The following table summarizes the stock options outstanding and exercisable at February 28, 2025:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options	Weighted Average Remaining Life (years)
152,857	\$0.35	September 9, 2025	152,857	0.28
3,300,000	\$0.20	December 7, 2026	3,300,000	1.52
2,200,000	\$0.42	January 10, 2028	2,200,000	2.61
1,250,000	\$0.85	March 2, 2028	1,250,000	2.76
1,500,000	\$0.31	May 22, 2029	1,500,000	3.98
2,600,000	\$1.26	November 12, 2028	2,600,000	3.45
2,500,000	\$0.82	December 20, 2029	2,500,000	4.56
<b>13,502,857</b>			<b>13,502,857</b>	<b>3.01</b>

##### RSUs, DSUs, and PSUs

On December 20, 2024, the Company pursuant to its equity incentive plan, granted an aggregate 750,000 deferred share units (each, a "DSU") and 6,000,000 performance share units (each, a "PSU") to certain directors and executive officers of the Company. The DSUs will vest one year after their date of grant and do not settle until a director ceases to serve as a director of the Company. The PSUs will vest on the later of (a) one year after their date of grant and (b) the successful completion of specific key performance objectives. Any PSUs that have not vested on or before December 20, 2027 will expire. Once vested, each PSU and DSU will entitle the holder thereof to receive either one common share of the Company or the cash equivalent of one common share, as determined by the board of directors of the Company, net of applicable withholdings.

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## Q2 Metals Corp.

Notes to Condensed Interim Consolidated Financial Statements  
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### 8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the three months ended May 31, 2025, was based on the loss attributable to common shareholders of \$644,887 (May 31, 2024 - \$779,613) and the weighted average number of common shares outstanding of 147,582,124 (May 31, 2024 – 89,415,968). Outstanding warrants and stock options have been excluded from the calculation of diluted income per share for the periods presented as their effect would be anti-dilutive.

### 9. Related party balances and transactions

During the three months ended May 31, 2025 and 2024, the Company incurred the following:

	May 31, 2025	May 31, 2024
Key management compensation* - cash	\$ 193,751	\$ 145,500
Compensation – share-based compensation	\$ 147,452	\$ 259,996

\* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed \$23,704 as at May 31, 2025 (February 28, 2025 – \$6,876) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

### 10. Commitments

The Company engaged Venture Liquidity Providers Inc. ("VLP") to provide market-making services. The market making service is undertaken by VLP through a registered broker, W.D.Latimer Co. Ltd. in compliance with TSX-V policies. VLP will buy and sell shares of the Company on the TSX-V for the purpose of maintaining an orderly trading market or providing liquidity in the Company's shares. The term of the agreement is for one year and may be terminated by either party immediately upon receiving written notice. In consideration, the Company will pay VLP \$60,000 plus GST per annum. Following the initial term, the agreement will automatically renew for successive additional 12-month terms. The Company and VLP are unrelated and unaffiliated entities.

### 11. Liability and income tax effect on flow-through shares

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On July 31, 2024 and August 9, 2024, the Company issued 1,142,857 and 22,800 common shares respectively on a "flow-through" basis at a price of \$0.35 per Share for gross proceeds of \$407,980. A flow-through share liability of \$91,429 was recognized at the date of issuance based on the flow-through shares being issued at a price below market at the time of issuance. At December 31, 2024, the Company has incurred \$407,980 in qualified expenditures.

On August 9, 2024, the Company issued 8,506,315 common shares on a "flow-through" basis at a price of \$0.475 per Share for gross proceeds of \$4,040,500. A flow-through share liability of \$1,063,289 was recognized at the date of issuance based on the flow-through shares being issued at a price above market at the time of issuance. At May 31, 2025, the Company has incurred \$4,040,500 in qualified expenditures.

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## Q2 Metals Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

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#### 11. Liability and income tax effect on flow-through shares (Continued)

	Issued on July 31, 2024	Issued on August 9, 2024	Total
<b>Balance, February 29, 2024</b>	\$ -	\$ -	\$ -
Liability incurred on flow-through shares issued	91,429	1,063,289	1,154,718
Settlement of flow-through share liability on incurred expenses	(91,429)	(972,432)	(1,063,861)
<b>Balance, February 28, 2025</b>	\$ -	\$ 90,857	\$ 90,857
Liability incurred on flow-through shares issued	91,429	1,063,289	1,154,718
Settlement of flow-through share liability on incurred expenses	(91,429)	(1,063,289)	(1,154,718)
<b>Balance, May 31, 2025</b>	\$ -	\$ -	\$ -

#### 12. Subsequent events

Subsequent to the three months ended May 31, 2025, the Company paid \$500,000 and issued 16,500,000 of the 20,000,000 shares owing in connection with acquisition of the Cisco Project, and paid \$300,000 in connection with the Cisco Extension Claims.