

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: QNB Metals Inc. (the "Issuer").

Trading Symbol: TIM

Number of Outstanding Listed Securities: 9,299,961

Date: October 5, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

QNB Metals Inc. is an exploration and development company focused on creating shareholder value through the strategic acquisition of precious and base metals projects while closing and maintaining key partnerships. The Company is engaged in the business of exploration of the Lac La Chesnaye Property, a mineral property located 11km north of Baie-Comeau, in the province of Québec, Canada. The

property covers a total area of 448 Ha and comprises of 8 claims that are in the process of being granted and one claim that was previously acquired from SiO2 Canada Ltd. These claims are 100% held by the Company.

2. Provide a general overview and discussion of the activities of management.

COVID-19 Impact on QNB Metals Inc: QNB is currently reviewing its strategy, planning further development of the Lac La Chesnaye Property. The company's activities are minimal, and it has reduced its spending to a minimum, therefore Covid-19 has minimal to no impact on QNB.

On September 10, 2021, QNB Metals Inc. closed a plan of arrangement (the "Arrangement") pursuant to an arrangement agreement dated June 17, 2021 between the Canadian Metals Inc. ("CME") and QNB Metals Inc. ("QNB").

Pursuant to the Arrangement, CME spun out its Lac Chesnaye property located in Québec to QNB in exchange for the issuance of 4,299,961 Class A common shares of QNB ("QNB Shares") to CME. In accordance with the terms of the Arrangement Agreement, CME effected a reorganization of its share capital and distributed such QNB Shares to the shareholders of the CME ("Shareholder") on a pro rata basis. As a result, each Shareholder has received such number of QNB Shares equal to the number of CME shares held by such Shareholder on September 8, 2021 multiplied by 0.05866. DRS registration statements representing an appropriate number of QNB Shares have been sent to all registered Shareholders.

Following the completion of the Arrangement, QNB has 9,299,961 QNB Shares issued and outstanding with a CUSIP/ISIN number of 74739L106/CA74739L1067. Michel Gagnon, a director of QNB, directly and indirectly, holds 72,627 QNB Shares. Maxime Lemieux, a director of QNB, holds 114,624 QNB Shares and securities that entitle him to acquire 50,000 QNB Shares.

Please refer to [SEDAR.com](https://www.sedar.com) for detailed information.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

On September 9, 2021, pursuant to the Arrangement, the QNB signed the Asset Purchase Agreement with Canadian Metals Inc, whereby the CME sold its 100% interest in the Lac Chesnaye property located in the Province of Québec to QNB for a consideration of 4.3 million common shares at a deemed price of C\$0.10.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provides details of the relationship.

See Note 4 above.

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

See Note 2 above.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

17. N/A

Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

N/A

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated October 5, 2021.

Arnab De
Name of Director or Senior
Officer

(s) Arnab De
Signature
CFO
Official Capacity

Issuer Details Name of Issuer <u>QNB Metals Inc.</u>	For Month End <u>September 2021</u>	Date of Report YY/MM/D <u>2021/10/05</u>
Issuer Address <u>866, 3e Avenue</u>		
City/Province/Postal Code <u>Val d'Or, QC, J9P 1T1</u>	Issuer Fax No. () <u>N/A</u>	Issuer Telephone No. (418) 717-2553
Contact Name <u>Arnab De</u>	Contact Position <u>CFO</u>	Contact Telephone No. <u>(514) 619-2400</u>
Contact Email Address <u>arnabde@canadianmetalsinc.com</u>	Web Site Address <u>N/A</u>	