QUEBEC PRECIOUS METALS CORPORATION

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Financial Statements

(Unaudited and unreviewed by the Company's Independent Auditors)

Three-month and nine-month periods ended October 31, 2022 and 2021

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Financial Statements

Three-month and nine-month periods ended October 31, 2022 and 2021

Condensed Interim Financial Statements

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Financial Position

As at October 31, 2022 and January 31, 2022

(in Canadian dollars)

	Note	October 31 2022	January 31 2022
		$	$
Assets			
Current assets:			
Cash		481,896	1,578,789
Marketable securities	4	53,992	137,366
Taxes receivable		20,658	283,121
Prepaid expenses		40,701	150,814
Deposits related to exploration and evaluation activities		4,000	4,000
Tax credits related to resources receivable		1,755,202	1,188,817
Mining tax credits receivable		221,949	161,495
Total current assets		2,578,398	3,504,402
Non-current assets:			
Equipment		1,470	5,250
Total non-current assets		1,470	5,250
Total assets		2,579,868	3,509,652
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities		1,360,996	1,118,121
Total current liabilities		1,360,996	1,118,121
Non-current liabilities:			
Loan	5	39,077	35,199
Total non-current liabilities		39,077	35,199
Total liabilities		1,400,073	1,153,320
Equity:			
Share capital	6	50,518,792	50,501,034
Contributed surplus	7	5,041,884	5,007,913
Deficit		(54,380,881)	(53,152,615)
Total equity		1,179,795	2,356,332
Total liabilities and equity		2,579,868	3,509,652

Statute of incorporation, nature of activities and going concern, see Note 1.

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

These financial statements were approved and authorized for issue by the Board of Directors on December 15, 2022.

(S) Julie Robertson	(S) James Shannon
Director	Director

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

Three-month and nine-month periods ended October 31, 2022 and 2021

(in Canadian dollars)

		Three-month period ended		Nine-month period ended	
		October 31 2022	October 31 2021	October 31 2022	October 31 2021
		$	$	$	$
Operating expenses:					
Salaries and employee benefit expense		106,756	177,121	347,130	615,975
Office expenses		36,788	44,044	206,201	123,206
Business development and investor relations		10,228	182,529	126,184	377,872
Registration, listing fees and shareholder information		31,141	21,620	68,519	72,749
Professional and consulting fees		108,624	95,656	313,578	392,110
Share-based compensation	7	17,450	32,980	33,971	208,392
Exploration and evaluation expenditures	8	23,238	493,616	872,133	2,456,217
Write-off of equipment		-	-	2,641	-
Part XII.6 tax		226	-	226	-
Depreciation of equipment		343	862	1,140	2,558
Operating loss		334,794	1,048,428	1,971,723	4,249,079
Other income:					
Finance expense		77,232	1,177	186,519	1,465
Interest income		(13,150)	(9)	(13,262)	(4,258)
Government assistance	5	-	-	-	(27,484)
Change in fair value of marketable securities	4	35,226	20,679	83,374	21,153
Gain on disposition of mining projects	8	(1,000,000)	-	(1,000,000)	(75,000)
Gain on disposal of net smelter return (NSR)	8	-	(2,000,000)	-	(2,000,000)
Exchange gain		-	281	(88)	361
Total net other (income) expenses		(900,692)	(1,977,872)	(743,457)	(2,083,763)
.					
Income (loss) before income tax		565,898	929,444	(1,228,266)	(2,165,316)
Income tax recovery		-	-	-	117,468
Net income (loss) and comprehensive income (loss)		565,898	929,444	(1,228,266)	(2,047,848)
Weighted average number of common shares outstanding		82,504,297	82,458,877	82,474,183	77,454,636
Basic and diluted income (loss) per share:		0.007	0.011	(0.015)	(0.026)

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

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Changes in Equity

Three-month and nine-month periods ended October 31, 2022 and 2021

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Contributed surplus	Deficit	Total equity
			$	$	$	$
Balance as at January 31, 2022		82,458,877	50,501,034	5,007,913	(53,152,615)	2,356,332
Shares and units issued:						
As payment of director's fees	6	208,930	17,758			17,758
Share options granted	7			28,203		28,203
Deferred share units granted	7			5,768		5,768
Transaction with owners		82,667,807	50,518,792	5,041,884	(53,152,615)	2,408,061
Net loss and comprehensive loss for the period					(1,228,266)	(1,228,266)
Balance as at October 31, 2022		82,667,807	50,518,792	5,041,884	(54,380,881)	1,179,795
Balance as at January 31, 2021		67,684,334	47,551,328	4,615,282	(49,343,256)	2,823,354
Shares issued:						
Private placements	6	14,774,543	3,250,399			3,250,399
Share issuance costs	6		(300,693)			(300,693)
Share options granted	7			220,943		220,943
Brokers and intermediaries' options granted	7			48,002		48,002
Deferred share units granted	7			133,039		133,039
Transaction with owners		82,458,877	50,501,034	5,017,266	(49,343,256)	6,175,044
Net loss and comprehensive loss for the period					(2,047,848)	(2,047,848)
Balance as at October 31, 2021		82,458,877	50,501,034	5,017,266	(51,391,104)	4,127,196

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

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Cash Flows

Three-month and nine-month periods ended October 31, 2022 and 2021

(in Canadian dollars)

	Nine-month period ended	
	October 31 2022	October 31 2021
	$	$
Operating activities:		
Net loss	(1,228,266)	(2,047,848)
Adjustments for:		
Income tax recovery	-	(117,468)
Director's fees paid through issuance of shares	17,758	-
Write-off of equipment	2,641	-
Finance expense	3,878	1,465
Depreciation of equipment	1,140	2,558
Share-based compensation	33,971	208,392
Government grant	-	(27,484)
Change in fair value of marketable securities	83,374	21,153
Gain on disposition of mining projects	(1,000,000)	(75,000)
Gain on disposal of net smelter return (NSR)	-	(2,000,000)
Operating activities before changes in working capital items	(2,085,504)	(4,034,232)
Change in interest receivable	-	1,236
Change in taxes receivable	262,463	(158,233)
Change in prepaid expenses	110,113	(34,878)
Change in deposits related to exploration and evaluation activities	-	41,000
Change in tax credits related to resources receivable	(566,385)	(337,668)
Change in mining tax credits receivable	(60,454)	(49,848)
Change in trade accounts payable and other liabilities	242,874	319,087
Change in working capital items	(11,389)	(219,304)
Cash flows used for operating activities	(2,096,893)	(4,253,536)
Financing activities:		
Proceeds from private placements	-	3,250,399
Decrease in restricted cash	-	1,125,000
Proceeds from a loan	-	60,000
Share issuance costs	-	(236,439)
Cash flows from financing activities	-	4,198,960
Investing activities:		
Proceeds from disposal of marketable securities	-	455,617
Proceeds from disposition of mining projects	1,000,000	75,000
Payment received on disposal of net smelter return (NSR)	-	2,000,000
Cash flows from investing activities	1,000,000	2,530,617
Net change in cash	(1,096,893)	2,476,041
Cash, beginning of period	1,578,789	1,178,991
Cash, end of period	481,896	3,655,032

Additional disclosures of cash flow information (Note 10).

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

1. Statute of incorporation, nature of activities and going concern:

Quebec Precious Metals Corporation (or "the Company"), incorporated under the Canada Business Corporations Act, is a mineral exploration company operating in Canada. Its shares are traded on the TSX.V Stock Exchange under the symbol QPM, on the American Stock Exchange OTCQB Market under the symbol CJCFF and on the Frankfurt exchange under the symbol YXEN. The address of the Company's head office and registered office is 1080, Côte du Beaver Hall, Suite 2101, Montréal, Québec, H2Z 1S8 and its web site is www.qpmcorp.ca.

The Company has not yet determined whether its mining projects have mineral reserves. The exploration and development of mineral deposits involves significant financial risks. The success of the Company will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

Although management has taken steps to verify titles of the mining projects in which the Company holds an interest, in accordance with industry standards for the current stage of exploration of such projects, these procedures do not guarantee the Company's project title. Project title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

The financial statements have been prepared by the Company on a going concern basis, assuming that the Company will be able to realize its assets and settle its liabilities in the normal course of business as they come due.

For the nine-month period ended October 31, 2022, the Company recorded a net loss of $1,228,266 ($2,047,848 for the nine-month period ended October 31, 2021) and has an accumulated deficit of $54,380,881 as at October 31, 2022 ($53,152,615 as at January 31, 2022). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at October 31, 2022, the Company had a working capital of $1,217,402 ($2,386,281 as at January 31, 2022) consisting primarily of cash of $481,896 ($1,578,789 as at January 31, 2022). The Company is still in exploration stage and, as such, no revenue nor cash flow has been yet generated from its operating activities other than from the sales of non-core assets. Consequently, management periodically seeks financing through the issuance of shares, the exercise of warrants and share purchase options to continue its operations, and despite the fact that it has been able in the past, there is no guarantee of success for the future. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The accompanying financial statements do not reflect the adjustments or reclassification of assets and liabilities, that would be necessary if the going concern assumption is not appropriate. These adjustments could be material.

2. Basis of preparation:

2.1 Statement of compliance:

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") in accordance with IAS 34, Interim Financial Reporting.

Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS, has been omitted or condensed. Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements of the Company and the notes thereto for the year ended January 31, 2022.

2.2 Basis of measurement:

The condensed interim financial statements have been prepared on the historical cost basis except for where IFRS requires recognition at fair value.

2.3 Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements:

Critical judgments in applying the accounting policies of the Company in the preparation of these condensed interim financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in Note 2 of the annual audited financial statements of the Company as at January 31, 2022.

3. Significant accounting policies:

These condensed interim financial statements have been prepared following the same accounting policies used in Note 3 of the annual audited financial statements for the year ended January 31, 2022.

(in Canadian dollars)

3. Significant accounting policies (continued):

3.1 Adoption of new accounting standards:

There was no adoption of new accounting policies in preparing the condensed interim financial statements as at October 31, 2022.

3.2 New standards and interpretations that are not yet effective and have not been adopted:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Marketable securities:

	Number of shares				Carrying value				
	January 31 2022	Acquisition	Disposition	October 31 2022	January 31 2022	Acquisition	Disposition	Change in fair value	October 31 2022
					$	$	$	$	$
Shares									
NICO (3)	146,089	-	-	146,089	42,366	-	-	(23,374)	18,992
FEX (4)	1,000,000	-	-	1,000,000	95,000	-	-	(60,000)	35,000
	1,146,089	-	-	1,146,089	137,366	-	-	(83,374)	53,992

	Number of shares				Carrying value				
	January 31 2021	Acquisition	Disposition	January 31 2022	January 31 2021	Acquisition	Disposition	Change in fair value	January 31 2022
					$	$	$	$	$
Shares									
LMR (1)	1,750,000	-	(1,750,000)	-	205,000	-	(310,283)	105,283	-
UGM (2)	431,000	-	(431,000)	-	112,060	-	(119,530)	7,470	-
NICO (3)	181,089	-	(35,000)	146,089	177,467	-	(25,804)	(109,297)	42,366
FEX (4)	1,000,000	-	-	1,000,000	120,000	-	-	(25,000)	95,000
	3,362,089	-	(2,216,000)	1,146,089	614,527	-	(455,617)	(21,544)	137,366

(1) Lomiko Metals Inc. - TSX Venture - Symbol "LMR"
(2) UrbanGold Minerals Inc. - TSX Venture - Symbol "UGM"
(3) Class 1 Nickel and Technologies Ltd. - Canadian Securities Exchange - Symbol "NICO"
(4) Fjordland Exploration Inc. - TSX Venture - Symbol "FEX"

5. Loan:

On July 8, 2021, the Company received $60,000 from the Canada Emergency Business Account ("CEBA"). The Government of Canada has launched the new CEBA which has been implemented by eligible financial institutions in cooperation with Export Development Canada. The CEBA program has approved an interest-free loan of up to $60,000 to the Company to help cover operating costs due to the economic impacts of the COVID-19 virus. The outstanding balance of the CEBA must be repaid by December 31, 2022 (extended to December 31, 2023 on January 12, 2022). Repayment of the CEBA received on or before the due date will result in loan forgiveness of 33.3% (up to $20,000).

For purposes of determining the fair value of the liability, an effective interest rate of 15% was used which is the estimated market rate that the Company would have obtained for a similar financing. The liability is accreted up to the face value of the loan over the term of the loan as an interest expense. At the issuance, the fair value of the loan was calculated to be $32,516 and the government assistance recognized in the statement of loss and comprehensive loss was $27,484 which included the loan forgiveness of $20,000 during the year ended January 31, 2022. During the nine-month period ended October 31, 2022, an interest expense of $3,878 was recorded in the statement of loss and comprehensive loss ($2,683 for the year ended January 31, 2022).

6. Share capital:

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding:

2023:

On October 11, 2022, the Company issued to directors 208,930 common shares valued at $17,758 for director's fees ($0.085 per share) in order to settle 90% of the director's fees payable for the three-month period ended June 30, 2022 (10% paid in cash).

2022:

On May 3, 2021, the Company concluded a private placement by issuing 11,974,543 common shares at a price of $0.22 per share for net proceeds of $2,439,788 after deducting share issuance costs of $194,611 including a commission of $73,736. As part of this private placement, the Company also issued a total of 431,164 brokers and intermediaries' options. Each brokers and intermediaries' option entitles its holder to purchase one common share at $0.30 per share until May 3, 2023. These brokers and intermediaries' options have been recorded at a value of $32,596 based on the Black-Scholes option pricing model using the assumptions described below (Note 7 (d)). Total share issuance costs amounted to $227,207 including the fair value of the brokers and intermediaries' options of $32,596.

On May 5, 2021, the Company concluded a private placement by issuing 2,700,000 common shares at a price of $0.22 per share for net proceeds of $537,994 after deducting share issuance costs of $56,006 including a commission of $47,520. As part of this private placement, the Company also issued a total of 216,000 brokers and intermediaries' options. Each brokers and intermediaries' option entitles its holder to purchase one common share at $0.30 per share until May 5, 2023. These brokers and intermediaries' options have been recorded at a value of $14,810 based on the Black-Scholes option pricing model using the assumptions described below (Note 7 (d)). Total share issuance costs amounted to $70,816 including the fair value of the brokers and intermediaries' options of $14,810.

On May 18, 2021, the Company concluded a private placement by issuing 100,000 common shares at a price of $0.22 per share for net proceeds of $19,926 after deducting share issuance costs of $2,074 including a commission of $1,760. As part of this private placement, the Company also issued a total of 8,000 brokers and intermediaries' options. Each brokers and intermediaries' option entitles its holder to purchase one common share at $0.30 per share until May 18, 2023. These brokers and intermediaries' options have been recorded at a value of $596 based on the Black-Scholes option pricing model using the assumptions described below (Note 7 (d)). Total share issuance costs amounted to $2,670 including the fair value of the brokers and intermediaries' options of $596.

7. Share purchase options, DSUs and brokers and intermediaries' options:

(a) Share purchase options:

In November 2018, the shareholders of the Company approved a stock option plan (the “Plan”) whereby the Board of Directors may grant to directors, officers, employees and consultants of the Company, share purchase options to acquire common shares of the Company. Terms of each share purchase option is determined by the Board of Directors. Share purchase options granted pursuant to the Plan can also be subject to the vesting requirements and period determined by the Board of Directors.

The Plan provides that the maximum number of common shares that may be reserved for issuance under the Plan shall be equal to 6,743,433 common shares of the Company. The maximum number of common shares which may be for issuance at the grant of the share purchase options to any optionee may not exceed 5% of the outstanding common shares at the date of grant and may not exceed 2% of the outstanding common shares for consultants and investor relations representatives. These share purchase options will expire no later than ten years after being granted.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the date of grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

(in Canadian dollars)

7. Share purchase options, DSUs and brokers and intermediaries' options (continued):

(a) Share purchase options (continued):

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

		October 31 2022		January 31 2022
	Number of outstanding share options	**Weighted average exercise price**	**Number of outstanding share options**	**Weighted average exercise price**
		$		$
Outstanding at beginning	5,005,385	0.37	4,525,385	0.39
Granted	835,000	0.17	1,775,000	0.29
Forfeited	(895,000)	0.27	(1,245,000)	0.30
Expired	(315,385)	0.54	(50,000)	0.35
Outstanding at end	4,630,000	0.35	5,005,385	0.37
Exercisable at end	4,013,334	0.37	4,038,719	0.39

The following table provides outstanding share options information as at October 31, 2022:

			Outstanding share options	
Expiry date	**Number of granted share options**	**Number of exercisable share options**	**Exercise price**	**Remaining life**
			$	(years)
February 19, 2023	50,000	50,000	0.29	0.3
December 12, 2023	920,000	920,000	0.61	1.1
March 15, 2024	60,000	60,000	0.17	1.4
June 20, 2024	300,000	300,000	0.34	1.6
July 11, 2024	900,000	900,000	0.35	1.7
February 17, 2025	585,000	585,000	0.28	2.3
July 24, 2025	50,000	50,000	0.27	2.7
October 26, 2025	235,000	235,000	0.23	3.0
February 19, 2026	780,000	580,000	0.29	3.3
June 11, 2026	150,000	100,000	0.30	3.6
March 15, 2027	600,000	233,334	0.17	4.4
	4,630,000	4,013,334	0.35	2.4

The options outstanding at January 31, 2022 had an exercise price in the range of $0.230 to $0.624 and a weighted-average contractual life of 2.8 years.

	October 31 2022	January 31 2022
	$	$
Weighted average fair value of options granted	$0.09	$0.16

The fair value of each option granted (including extended options) is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	October 31 2022	January 31 2022
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	$0.165	$0.27
Weighted average expected volatility	64.66%	82.16%
Weighted average risk-free interest rate	1.96%	0.62%
Weighted average exercise price at grant date	$0.17	$0.29
Weighted average vesting period	1.86 years	1.72 years
Weighted average expected life	4.78 years	4.6 years

(in Canadian dollars)

7. Share purchase options, DSUs and brokers and intermediaries' options (continued):

(a) Share purchase options (continued):

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

An amount of $11,682 and $28,203 of share-based compensation were accounted in the statement of loss and comprehensive loss for the three-month and nine-month periods ended October 31, 2022 respectively ($32,980 and $208,392 for the three-month and nine-month periods ended October 31, 2021 respectively) and credited to contributed surplus. As at October 31, 2022, an amount of $21,209 ($56,519 for the year ended January 31, 2022) remains to be amortized until January 31, 2024 related to the grant of stock options not vested.

(b) Deferred share units ("DSUs"):

The changes to the number of outstanding DSUs granted by the Company are as follows:

	October 31 2022	January 31 2022
	Number of outstanding DSU	Number of outstanding DSU
Outstanding at beginning	333,490	-
Granted	67,857	502,033
Cancelled	-	(168,543)
Outstanding at end	401,347	333,490

The DSUs are payable in common shares of the Company and/or cash upon the holder ceasing to be a director, an officer, an employee or a consultant of the Company, as the case may be. During the year ended January 31, 2022, the DSUs with a fair value of $96,712 were issued in lieu of a bonus payable of $96,712 which has been recognized in the statement of loss and comprehensive loss during the year ended January 31, 2021. The bonus payable has been reversed on February 1, 2021 and replaced by the grant of the DSUs on February 19, 2021.

During the nine-month period ended October 31, 2022, the Company issued 67,857 DSUs with a fair value of $5,768.

(c) Brokers and intermediaries' options:

The changes to the number of outstanding brokers and intermediaries' options granted by the Company and their weighted average exercise price are as follows:

		October 31 2022		January 31 2022
	Number of outstanding brokers and intermediaries' options	Weighted average exercise price	Number of outstanding brokers and intermediaries' options	Weighted average exercise price
		$		$
Outstanding at beginning	655,164	0.30	1,210,863	0.30
Granted	-	-	655,164	0.30
Expired	-	-	(1,210,863)	0.30
Outstanding at end	655,164	0.30	655,164	0.30

The following table provides outstanding brokers and intermediaries' options information as at October 31, 2022:

			Outstanding warrants
Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		$	(years)
May 3, 2023	431,164	0.30	0.5
May 5, 2023	216,000	0.30	0.5
May 18, 2023	8,000	0.30	0.5
	655,164	0.30	0.5

The brokers and intermediaries' options at January 31, 2022 had an exercise price of $0.30 and a contractual life of 1.3 years.

	October 31 2022	January 31 2022
	$	$
Weighted average fair value of brokers and intermediaries' options granted	$0.00	$0.07

(in Canadian dollars)

7. Share purchase options, DSUs and brokers and intermediaries' options (continued):

(c) Brokers and intermediaries' options (continued):

The fair value of each brokers and intermediaries' option granted (including extended options) is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	October 31 2022	January 31 2022
Weighted average expected dividend yield	-	0%
Weighted average share price at grant date	-	$0.23
Weighted average expected volatility	-	73.17%
Weighted average risk-free interest rate	-	0.30%
Weighted average exercise price at grant date	-	$0.30
Weighted average expected life	-	2 years

8. Exploration and evaluation activities:

Exploration and evaluation expenditures by nature are detailed as follows:

	Three-month period ended		Nine-month period ended	
	October 31 2022	October 31 2021	October 31 2022	October 31 2021
	$	$	$	$
Exploration and evaluation activities:				
Assays	-	79,363	128,831	142,792
Drilling	-	155,399	1,181,190	1,353,465
Line cutting	-	-	-	202,432
Resource estimate	2,815		66,221	-
Reporting	-	-	16,804	10,533
Metallurgy	-	26,663	1,940	71,525
Geochemistry	-	16,000	-	56,548
Geology and geophysics	15,355	424,662	26,855	783,245
Geophysical and electromagnetic survey	-	106,260	-	160,518
Prospecting	-	42,408	-	150,564
Other evaluation and exploration expenses	13,729	34,794	88,298	70,070
Tax credit related to resources and mining tax credits	(8,661)	(391,933)	(638,006)	(545,475)
	23,238	493,616	872,133	2,456,217

Exploration and evaluation expenditures can be detailed as follows:

	Three-month period ended		Nine-month period ended	
	October 31 2022	October 31 2021	October 31 2022	October 31 2021
	$	$	$	$
Projects:				
Blanche-Charles	127	-	275	14,365
Cheechoo-Éléonore Trend	-	(1,087)	-	18,312
Elmer East	8,874	28,994	10,082	122,442
Sakami	14,237	465,709	861,776	2,301,098
	23,238	493,616	872,133	2,456,217

Gain on disposal of mining projects can be detailed as follows:

	Three-month period ended October 31 2022			Three-month period ended October 31 2021		
	Cash payments	Issuance of shares	Total	Cash payments	Issuance of shares	Total
	$	$	$	$	$	$
Projects:						
Kipawa-Zeus	1,000,000	-	1,000,000	-	-	-
	1,000,000	-	1,000,000	-	-	-

(in Canadian dollars)

8. Exploration and evaluation activities (continued):

Gain on disposal of mining projects can be detailed as follows (continued):

			Nine-month period ended October 31 2022			Nine-month period ended October 31 2021
	Cash payments	Issuance of shares	Total	Cash payments	Issuance of shares	Total
	$	$	$	$	$	$
Projects:						
Kipawa-Zeus	1,000,000	-	1,000,000	-	-	-
Somanike	-	-	-	75,000	-	75,000
	1,000,000	-	1,000,000	75,000	-	75,000

Sakami:

The Sakami project is wholly-owned by the Company, consists of one large contiguous block of 281 mineral claims (142.50 km^2) and includes the contiguous claims that were part of the project previously known as the project Apple (currently the Apple area). The project is located 90 km northwest of the Eleonore mine (operated by Newmont Corporation), 570 km north of Val-d'Or and 900 km northwest of Montreal. The project is subject to a NSR of 1% on certain claims and a NSR of 2% on 81 claims, half of which can be bought back for $1,000,000. During the year ended January 31, 2022, 22 claims have been transferred from Cheechoo-Éléonore Trend project for no consideration as this was an intercompany transfer.

Cheechoo-Éléonore Trend:

The Cheechoo-Éléonore Trend project is wholly-owned by the Company and consists of 128 claims (66.26 km^2). The southeastern end of the project lies about 24 km northwest of the Éléonore mine, with a road access 14 km away. During the year ended January 31, 2022, 22 claims have been transferred to Sakami project and 401 claims have been abandoned.

Elmer East:

The Elmer East project is wholly-owned by the Company and consists of 929 claims (488 km^2). The project is located along trend from the recent Patwon Prospect gold discovery made by Azimut Exploration Inc. ("Azimut") on its Elmer project located in the Eeyou Istchee James Bay territory, Quebec. The Elmer East project was acquired, by map designation, and includes the adjacent Annabelle block and the Opinaca Gold West block (505 claims, 266 km^2). The western part of the Elmer East project is contiguous to Azimut's project.

Non-core assets:

Kipawa-Zeus:

The Company has a 68% interest in the Kipawa project, through the Kipawa Rare Earth Joint Venture ("SCCK"). Investissement Quebec holds the remaining 32% interest. The project is part of the 73 claims (43.03 km^2) of the Kipawa-Zeus project. Claims that are not part of the Kipawa project are wholly-owned by the Company. The project is located in the Témiscamingue region of Quebec, 140 km south of Rouyn-Noranda and 90 km northeast of North Bay, Ontario.

On August 9, 2021, the Company entered into a Binding Term Sheet with Vital Metals Limited ("Vital") for the acquisition by Vital of the Company's 68% interest in the Kipawa rare earth project and 100% of the Zeus Rare Earth project in Quebec, Canada, for $8 million, subject to certain closing conditions. On February 4, 2022, the Company amended the Binding Term Sheet with Vital and the transaction is now expected to close by September 30, 2022. Vital has currently deposited $1 million with the solicitors of the Company, in trust, (the "Deposit") towards this transaction. Should Vital decide not to proceed with closing on September 30, 2022, the $1 million Deposit and any interest thereon would be paid and forfeited to the Company.

In early October 2022, Vital has advised QPM that it will not proceed with the acquisition. Accordingly, QPM has received a payment of $1,013,124 ($1,000,000 and interest of $13,124) under the terms of the Binding Term Sheet.

Matheson:

The Company holds a 50% interest in four non-contiguous blocks totalling 41 single-cell mining claims, four patented claims (surface and mining rights) and three leases (surface and mining rights) totalling 12.77 km^2 held in the Matheson Joint Venture project ("Matheson Project"), located 24 km from downtown Timmins, Ontario.

New Gold:

The New Gold project is wholly-owned by the Company and consists of 9 claims (4.76 km2) after it abandoned 40 claims during the year ended January 31, 2022. It lies about 30 km southwest of the old Eastmain gold mine. During the nine-month period ended October 31, 2022, the Company abandoned its last 9 claims as they no longer fit the Company's development strategy.

(in Canadian dollars)

8. Exploration and evaluation activities (continued):

Non-core assets (continued):

Blanche-Charles (no longer held):

The Blanche-Charles project is wholly-owned by the Company and consists of 317 claims (162.07 km2). It is located approximately 120 km northeast of the Eleonore mine.

On September 14, 2022, the Company has entered into a binding agreement with Idaho Champion ("Idaho") for the acquisition by Idaho of the Company's 100% interest in the Blanche and Charles prospective lithium pegmatite projects. Although the project has been explored for precious and base metals, but more recently, evidence of pegmatites has led to a re-assessment of the lithium discovery potential that warrants more work.

On November 1st, 2022, following the binding agreement, the Company has entered into an option agreement with Idaho Champion ("Idaho") whereby Idaho may earn 100% interest of the Blanche-Charles project.

To earn its 100% interest as per the option agreement, Idaho has to make cash payments and issue common shares in the following timelines:

	Cash payments	Issuance of Shares
	$	
On the closing date	100,000 (1)	-
On the closing date	-	12,000,000 (2)
	100,000	12,000,000

(1) This cash payment was received on November 10, 2022.
(2) These common shares were issued on November 10, 2022 at a price of $0.04 per share (6,000,000 of shares are subject to escrow for 18 months).

As a result, the Company retains a 2% NSR of which Idaho may repurchase 1% of the NSR for consideration of $1,000,000 payable in cash or by issuance of shares or a combination of cash and shares at any time.

Idaho held 100% of the project since November 10, 2022.

Vulcain (no longer held):

The Vulcain project consists of 68 claims (40.05 km^2) located in Haute-Gatineau.

On December 7, 2020, the Company entered into an option agreement with Fjordland Exploration Inc. (“FEX”) whereby FEX may earn 100% interest of the Vulcain project.

To earn its 100% interest as per the option agreement, FEX has to make cash payments, issue common shares and incur exploration expenses in the following timelines:

	Cash payments	Issuance of Shares	Exploration expenses to incur
	$		$
Within 3 days of the reception of the approval of the TSX-V	50,000 (1)	1,000,000 (2)	-
On or before December 7, 2025	-	-	1,000,000 (3)
	50,000	1,000,000	1,000,000

(1) This cash payment was made on December 22, 2020.
(2) These common shares were issued on December 18, 2020 at a price of $0.095 per share.
(3) Exploration expenditures were all incurred.

As a result, the Company retains a 1% NSR of which FEX may repurchase 0.5% of the NSR for consideration of $500,000 and the remaining 0.5% for $2,500,000. FEX is also assuming the 2% pre-existing NSR royalty to underlying parties. Each one-half percent of the pre-existing NSR royalty to underlying parties royalty can be repurchased at any time by Fjorland for $250,000. As a result, all the overriding royalties can be retired for $4,000,000 at any time.

FEX held 100% of the project since July 16, 2022.

La Loutre (no longer held):

The La Loutre project consists of one contiguous block of 48 claims (28.67 km^2) located approximately 53 km east of Lac-des-Îles graphite mine (operated by Imery) and 120 km northwest of Montreal, Quebec. The project is subject to a 1.5% NSR on certain claims, of which 0.5% may be bought back for an amount of $500,000.

(in Canadian dollars)

8. Exploration and evaluation activities (continued):

Non-core assets (continued):

La Loutre (no longer held) (continued):

On January 31, 2020, Lomiko Metals Inc. ("Lomiko") held 80% of the project. On April 16, 2020, the Company and Lomiko agreed on the terms of an amendment on the option agreement on the La Loutre project allowing Lomiko to acquire up to 100% interest in the project.

To earn its 100% interest as per the option agreement, Lomiko had to make cash payments, and issue common shares in the following timelines:

	Cash payments	Issuance of shares
	$	
On or before May 15, 2020		1,000,000 (1)
On or before December 31, 2021	1,125,000 (2)	
	1,125,000	1,000,000

(1) These common shares were issued on August 31, 2020.
(2) This cash payment was received on January 29, 2021. The Company had the obligation to incur exploration and evaluation expenditures on its properties for an amount of $1,125,000 in accordance with the La Loutre project option agreement with Lomiko. During the year ended January 31, 2022, the Company fulfilled its obligation by incurring $1,125,000 of exploration and evaluation expenditures.

Lomiko held 100% of the project since January 29, 2021.

Somanike (no longer held):

On August 20, 2018, the Company signed an agreement with Vanicom Resources Limited ("Vanicom") (Amended on March 20, 2019, September 18, 2019, May 7, 2020 and June 2, 2020) whereby Vanicom was granted an option to earn 100% interest in Somanike project.

To earn its 100% interest as per the option agreement, Vanicom had to make cash payments, issue common shares of Class 1 Nickel and Technologies Inc. ("Class 1"), its parent company and incur exploration expenses in the following timelines:

	Cash payments	Issuance of shares	Exploration expenses to incur
	$	$	$
Upon signature	25,000 (1)		-
On or before March 31 2019			
On or before June 15, 2019	25,000 (2)		
On or before December 31, 2021		75,000 (3)	600,000 (4)
On or before June 15, 2022	25,000 (6)		
On or before June 15, 2023	50,000 (6)	50,000 (5)	
	125,000	125,000	600,000

(1) This cash payment was received on August 27, 2018.
(2) This cash payment was received on July 12, 2019.
(3) A total of 104,166 common shares were issued on August 28, 2020 at a price of $0.72 per share for a value of $75,000.
(4) Exploration expenditures were all incurred.
(5) A total of 76,923 common shares were issued on August 20, 2020 at a price of $0.65 per share for a value of $50,000.
(6) This cash payment was received on February 12, 2021.

Class 1 held 100% of the project since February 12, 2021.

Tansim (no longer held):

The Tansim project consisted of 65 claims (37.66 km^2) and was located in the Témiscamingue MRC. The Company owned a 50% interest in the project. The project was subject to a 0.25% NSR that could have been be redeemed for $60,000.

On October 15, 2021, the Company received a $2,000,000 payment in connection with the sale of a 2% NSR royalty on all payable metals from the mining rights of the Tansim project to Lithium Royalty Corporation ("LRC").

Sayona Québec Inc. held 100% of the project since January 12, 2021.

9. Earnings per share:

The warrants, share purchase options and DSUs were excluded from the diluted weighted average number of common shares calculation since the Company was operating at a loss and that their effect would have been antidilutive. Details of share purchase options, warrants and DSUs issued that could potentially dilute earnings per share in the future are given in Note 7.

(in Canadian dollars)

9. Earnings per share (continued):

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary for the three-month and nine-month periods ended October 31, 2022 and 2021.

10. Supplemental cash flow information:

The Company entered into the following transactions which had no impact on the cash flows:

	Nine-month period ended	
	October 31 2022	October 31 2021
	$	$
Non-cash operating activities:		
Reclassification from current liabilities to contributed surplus	-	145,590
Non-cash financing activities:		
Share issuance costs in trade accounts payable and accrued liabilities	-	16,252

11. Related party transactions:

Related parties include the Company's joint key management personnel and members of the Board of Directors. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel and directors includes the following expenses:

	Three-month period ended		Nine-month period ended	
	October 31 2022	October 31 2021	October 31 2022	October 31 2021
	$	$	$	$
Management and consulting fees (1)	28,980	15,000	80,040	45,000
Salaries and directors' fees (2)	89,062	190,408	293,914	521,808
Share-based compensation	14,494	23,742	50,095	159,000
	132,536	229,150	424,049	725,808

(1) As at October 31, 2022, an amount of $56,591 is due the a company controlled by the CFO ($Nil as at January 31, 2022)..

(2) As at October 31, 2022, an amount of $29,428 is due to the directors ($Nil as at January 31, 2022) and an amount of $9,500 is due to the CEO ($Nil as at January 31, 2022).

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

Consul-Teck Exploration Minière inc. ("Consul-Teck"), is a company of which the former Vice-President Exploration of the Company (resigned on May 4, 2021) is a shareholder. An amount of $730,331 was payable to Consul-Teck as at October 31, 2022 ($310,848 as at January 31, 2022). The following table provides a summary of the expenses incurred from Consul-Teck :

	Three-month period ended		Nine-month period ended	
	October 31 2022	October 31 2021	October 31 2022	October 31 2021
	$	$	$	$
Exploration and evaluation expenditures	-	-	- (1)	607,880
			-	607,880

(1) QPM continues to work with Consul-Teck incurring exploration and evaluation expenditures however since the former Vice President Exploration is no longer employed by QPM since May 2021, none of these amounts are considered a related party transaction.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

12. Contingent liabilities:

The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to identify, in terms of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in compliance with the laws and regulations. Any additional payment to liability already recorded that results from restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at that time.

(in Canadian dollars)

12. Contingent liabilities (continued):

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. The disallowance of certain expenses by tax authorities may have negative tax consequences for investors. In the case the Company does not incur the required qualifying Canadian mineral exploration expenses as originally contemplated in its flow-through private placements, the Company has contractually agreed to indemnify the purchasers of such flow-through securities to compensate for adverse tax consequences they might incur.

13. Financial assets and liabilities:

The carrying amount and fair value of financial instruments presented in the statements of financial position related to the following classes of assets and liabilities:

		October 31 2022		January 31 2022
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Financial assets				
Fair value through profit or loss (FVTPL)				
Marketable securities - Equities	53,992	53,992	137,366	137,366
	53,992	53,992	137,366	137,366

		October 31 2022		January 31 2022
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Financial assets				
Amortized cost				
Cash	481,896	481,896	1,578,789	1,578,789
	481,896	481,896	1,578,789	1,578,789
Financial liabilities				
Amortized cost				
Trade accounts payable and other liabilities	1,360,996	1,360,996	1,118,121	1,118,121
Loan	39,077	39,077	35,199	35,199
	1,400,073	1,400,073	1,153,320	1,153,320

The fair values of the marketable securities totalize $53,992 as at October 31, 2022 ($137,366 as at January 31, 2022) and are determined by using the closing price at October 31, 2022 and January 31, 2022.

The fair value of the loan is $39,077 as at October 31, 2022 ($35,199 as at January 31, 2022) and is determined by using the estimated market rate that the Company would have obtained for a similar financing.

The fair value of cash and trade accounts payable and other liabilities is comparable to its carrying amount given the short period to maturity, i.e. the time value of money is not significant.

The following hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. Marketable securities are classified as Level 1 and loan is classified in Level 2 in the fair value hierarchy.

(in Canadian dollars)

14. Capital management policies and procedures:

The Company considers the items included in equity as capital components.

	October 31 2022	January 31 2022
	$	$
Equity	1,179,795	2,356,332
	1,179,795	2,356,332

The Company's capital management objective is to have sufficient capital to be able to meet its exploration and mining development plan in order to ensure the growth of its activities. It also has the objective of having sufficient cash to finance its exploration and evaluation expenses, investing activities and working capital requirements. No changes were made in the objectives, policies and processes for managing capital during the reporting periods. The Company has no dividend policy.

The Company is subject to tax requirements related to the use of funds obtained by flow-through share financing. These funds must be incurred for eligible exploration expenses.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

15. Financial instrument risks:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk, liquidity risk, price risk and interest risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short-term to medium-term cash flows by minimizing the exposure to financial markets.

(a) Credit risk:

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

The Company is exposed to credit risk with respect to its cash for an amount of $386,787 as at October 31, 2022 ($1,578,789 as at January 31, 2022). The credit risk associated with cash is minimal, as cash is placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has sufficient financing sources. The Company establishes budgets to ensure it has the necessary funds to fulfill its obligations.

In previous reporting periods, the Company financed its acquisitions of mining rights, exploration and evaluation expenditures and working capital needs through private financings consisting of issuance of common shares and flow-through shares, and by optioning some of its mining projects. Management estimates that the cash as at October 31, 2022 will not be sufficient to meet the Company's needs for cash during the coming year (see Note 1).

Contractual maturities of financial liabilities are as follows:

				October 31 2022
	Less than 1 year	1-5 years	More than 5 years	$ Total
	$	$	$	$
Trade accounts payable and other liabilities	1,360,996	-	-	1,360,996
Loan	-	40,000	-	40,000

(in Canadian dollars)

15. Financial instrument risks (continued):

(b) Liquidity risk (continued):

	Less than 1 year	1-5 years	More than 5 years	January 31 2022 $ Total
	$	$	$	$
Trade accounts payable and other liabilities	1,118,121	-	-	1,118,121
Loan	-	40,000	-	40,000

(c) Price risk:

The Company is exposed to fluctuations in the market prices of its marketable securities in quoted mining exploration companies. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, an average volatility of 114.73% has been observed during the nine-month period ended October 31, 2022 (147.81% for the year ended January 31, 2022).

This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If quoted stock price for these securities had increased as per the volatility, profit and loss would have changed by a markup of $61,945 as at October 31, 2022 (markup of $202,890 as at January 31, 2022) or if quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a markdown of $53,992 at January 31, 2022 ($137,366 as at January 31, 2022).

(d) Interest risk:

Interest rate risk represents the risk that the fair value or future cash flows of a fixed income investment fluctuates because of changes in market interest rates. The Company’s fixed income investments, which comprise guaranteed investment certificates, are exposed to interest rate risk. Because of the relatively short period to maturity for these investments, the Company considers that the interest rate risk is minimal.

16. Subsequent events:

On November 1st, 2022, the Company has entered into an option agreement with Idaho Champion ("Idaho") whereby Idaho may earn 100% interest of the Blanche-Charles project (see Note 8).

On December 15, 2022, the Company issued to directors 326,980 common shares valued at $24,524 for director's fees ($0.075 per share) in order to settle 90% of the director's fees payable for the three-month period ended October 31, 2022 (10% paid in cash).

On December 15, 2022, the Company issued 126,667 deferred stock units to an officer.