QUEBEC RARE EARTH ELEMENTS CORP.

(FORMERLY METALLICA METALS CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2026, AND 2025

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED AND UNREVIEWED BY THE CORPORATION'S INDEPENDENT AUDITORS – PREPARED BY MANAGEMENT)

QUEBEC RARE EARTH ELEMENTS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS)

	NOTES	AS AT JANUARY 31, 2026 (UNAUDITED)	AS AT APRIL 30, 2025 (AUDITED)
		$	$
ASSETS			
CURRENT ASSETS			
Cash		296,800	623,900
Receivables		11,300	13,600
Prepaid expenses		7,200	3,800
		315,300	641,300
NON-CURRENT ASSETS			
Exploration and evaluation assets	**4**	4,222,300	5,196,100
TOTAL ASSETS		**4,537,600**	**5,837,400**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities		39,300	45,900
Flow-through share premium liability	**6**	-	28,800
Loans payable		12,600	12,200
TOTAL LIABILITIES		**51,900**	**86,900**
EQUITY			
Share capital	**6**	50,388,800	50,366,500
Reserves		3,622,400	3,622,400
Deficit		(49,525,500)	(48,238,400)
TOTAL EQUITY		4,485,700	5,750,500
TOTAL LIABILITIES AND EQUITY		**4,537,600**	**5,837,400**

NATURE AND GOING CONCERN (Note 1)

Approved on behalf of by the Board of Directors on March 17, 2026.

"John Jentz"
Director

"Carly Burk"
Director

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

QUEBEC RARE EARTH ELEMENTS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars, except number of shares)
(Unaudited - Prepared by Management)

	Three months ended January 31, 2026	Three months ended January 31, 2025	Nine months ended January 31, 2026	Nine months ended January 31, 2025
	$	$		
Expenses				
Filing and transfer agent fees	8,400	1,500	16,700	25,700
Office and miscellaneous	4,900	6,800	13,800	15,300
Professional fees	22,300	12,400	40,700	45,800
Share-based compensation	-	-	-	523,700
Operating loss	**35,600**	**20,700**	**71,200**	**610,500**
Other expenses (income)				
Impairment of exploration and evaluation assets (Note 4)	1,249,900	-	1,249,900	-
Finance expenses (income)	(1,000)	200	(5,200)	500
Flow-through share premium recovery	(4,700)	(1,700)	(28,800)	(39,500)
Net and comprehensive loss	**1,279,800**	**19,200**	**1,287,100**	**571,500**
Basic and diluted loss per share	0.03	0.00	0.03	0.01
Weighted average number of shares outstanding	50,446,773	50,231,012	50,369,599	49,413,229

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

QUEBEC RARE EARTH ELEMENTS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED JANUARY 31, 2026 AND 2025
(EXPRESSED IN CANADIAN DOLLARS, EXCEPT FOR NUMBER OF SHARES)
(UNAUDITED – PREPARED BY MANAGEMENT)

	COMMON SHARES	SHARE CAPITAL	RESERVES	DEFICIT	TOTAL EQUITY
	Common shares	$	$	$	$
BALANCE AS AT MAY 1, 2024	43,744,679	49,390,300	3,023,100	(47,564,900)	4,848,500
Net and Comprehensive loss	-	-	-	(571,500)	(571,500)
Common shares private placement	4,203,333	630,500	-	-	630,500
Flow-through shares issuance	2,283,000	410,900	-	-	410,900
Less: Premium	-	(68,500)	-	-	(68,500)
Shares issued as option payment	100,000	8,000	-	-	8,000
Share-based compensation	-	-	523,700	-	523,700
Share issue costs	-	(4,700)	-	-	(4,700)
BALANCE AS AT JANUARY 31, 2025	50,331,012	50,366,500	3,546,800	(48,136,400)	5,776,900
BALANCE AS AT MAY 1, 2025	50,331,012	50,366,500	3,622,400	(48,238,400)	5,750,500
Net and Comprehensive loss	-	-	-	(1,287,100)	(1,287,100)
Shares issued as option payment (Note 6)	150,000	22,500	-	-	22,500
Share issue costs	-	(200)	-	-	(200)
BALANCE AS AT JANUARY 31, 2026	**50,481,012**	**50,388,800**	**3,622,400**	**(49,525,500)**	**4,485,700**

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

QUEBEC RARE EARTH ELEMENTS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 31, 2026 AND 2025
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

	2026	2025
	$	$
OPERATING ACTIVITIES		
Net loss	(1,287,100)	(571,500)
Adjustments for:		
Share-based compensation	-	523,700
Accrued interest expense (income)	400	500
Impairment of exploration and evaluation assets	1,249,900	-
Flow-through share premium net recovery	(28,800)	(39,500)
Changes in non-cash working capital items		
Receivables	2,300	(15,000)
Prepaid expenses	(3,400)	(3,000)
Trade payables and accrued liabilities	(5,800)	(117,800)
CASH FLOWS USED IN OPERATING ACTIVITIES	**(72,400)**	**(222,600)**
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(214,500)	(239,900)
Option payment on exploration and evaluation assets	(40,000)	(20,000)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(254,500)**	**(259,900)**
FINANCING ACTIVITIES		
Private placement and flow-through shares issuance	-	1,041,400
Share issuance costs	(200)	(4,700)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(200)**	**1,036,700**
NET CHANGE IN CASH	**(327,100)**	**554,200**
CASH, BEGINNING OF PERIOD	623,900	71,500
CASH, END OF PERIOD	**296,800**	**625,700**
SUPPLEMENTARY CASH FLOW INFORMATION		
Exploration and evaluation expenses included in accounts payable and accrued liabilities	420	-
Fair value of common shares issued as option payment on exploration and evaluation assets	22,500	8,000

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

1. NATURE AND GOING CONCERN

Quebec Rare Earth Elements Corp. (the "Corporation") was incorporated under the Company Act of British Columbia on March 3, 1987. The Corporation is a mining exploration and development company focused on Rare Earth Elements (REE), primarily in the favourable mining jurisdiction of Quebec.

On November 20, 2023, a Certificate of Continuance was issued to the Corporation under section 187 of the Canada Business Corporations Acts and the name was changed from Metallica Metals Corp to Quebec Rare Earth Elements Corp. The Corporation's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "QREE" and the Frankfurt Exchange under "41K".

The Corporation's corporate office is located at 401 – 217 Queen Street West, Toronto, Ontario M5V 0R2 and the Company's registered and records office is located at 600 - 890 Pender Street, Vancouver, British Columbia, V6C 1J9.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Corporation has positive working capital as at January 31, 2026 of $263,400 (April 30, 2025 –$554,400) and a deficit of $49,525,500 (April 30, 2025 – $48,238,400). Management is aware of material uncertainties present that cast doubt upon the Corporation's ability to continue as a going concern, the most significant of these being the Corporation's ability to continue to obtain additional long-term financing and the continued financial support of the Corporation's shareholders. The Corporation is considering several alternatives to secure additional capital from additional funding facilities or equity financing. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These material uncertainties may cast significant doubt about the Corporation's ability to continue as a going concern.

If the going concern assumption is not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used, and such amounts could be material.

2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of January 31, 2026.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Corporation's audited financial statements for the year ended April 30, 2025.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements for the year ended April 30, 2025.

These unaudited condensed interim consolidated financial statements were approved by the board of directors on March 17, 2026.

The unaudited condensed interim consolidated financial statements are presented in Canadian Dollars, which is also the Corporation's functional currency, unless otherwise indicated.

3. NEWLY ADOPTED ACCOUNTING STANDARDS

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Corporation's consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

The following table disclose the acquisition costs of exploration properties for the period:

ACQUISITION COSTS	AS AT APRIL 30, 2025	ADDITIONS	OPTION PAYMENT	IMPAIRMENT	AS AT JANUARY 31, 2026
	$	$	$	$	$
WASWANIPI-SAGUENAY					
CARCAJOU[1]	4,240,000	8,100	-	(1,249,900)	2,998,200
LYNX	58,200	-	62,500	-	120,700
CÔTE NORD					
CARIBOU	660,000	-	-	-	660,000
	4,958,200	**8,100**	**62,500**	**(1,249,900)**	**3,778,900**

[1] During the nine-month period ended January 31, 2026, the Corporation partially impaired the property for claims that were abandoned.

The following table disclose the exploration and evaluation expenses for the period:

EXPLORATION EXPENSES	AS AT APRIL 30, 2025	ADDITIONS	IMPAIRMENT	AS AT JANUARY 31, 2026
	$	$	$	$
WASWANIPI-SAGUENAY				
CARCAJOU	123,300	-	-	123,300
LYNX	114,600	205,500	-	320,100
CÔTE NORD				
CARIBOU	-	-	-	-
	237,900	**205,500**	**-**	**443,400**

(EXPRESSED IN CANADIAN DOLLARS)

	AS AT JANUARY 31, 2026
Acquisition costs	**3,778,900**
Exploration and evaluation expenses	**443,400**
	4,222,300

WASWANIPI-SAGUENAY PROJECTS - CARCAJOU REE PROPERTY

The Corporation entered into a purchase agreement (the "Purchase Agreement") on March 8, 2023. Pursuant to the Purchase Agreement, the Corporation acquired mineral claims along the Waswanipi-Saguenay Zone in Quebec. As consideration, 9,600,000 common shares were issued, valued at $1,440,000.

On April 17, 2023, the Corporation issued 8,000,000 common shares, valued at $1,440,000, to acquire additional mineral claims.

In May 2023, the Corporation also issued 8,000,000 common shares, valued at $1,360,000, to acquire additional claims in the Waswanipi-Saguenay Zone.

WASWANIPI-SAGUENAY PROJECTS - LYNX REE PROPERTY

On November 21, 2023, the Corporation entered into an option agreement with Les Ressources Tectonic Inc. (the "Optionor") pursuant to which the Corporation has been granted an option to acquire 100% beneficial and legal interest in the Lynx rare earth elements project located in Quebec, Canada.

Under the terms of the option agreement, the Corporation may exercise the option to acquire a 100% interest in the Property upon completion of the following option payments:

- In November 2023, the Corporation made a cash payment in the amount of $10,000 to the Optionor and issued in December 2023 the Optionor 100,000 common shares in the capital of the Corporation;
- In November 2024, for the first anniversary date, the Corporation made a cash payment in the amount of $20,000 to the Optionor and issued the Optionor 100,000 common shares;
- In November 2025, for the second anniversary date, the Corporation made a cash payment in the amount of $40,000 to the Optionor and issued the Optionor 150,000 common shares; and
- On or before the third anniversary date, the Corporation shall make a cash payment in the amount of $60,000 to the Optionor and issue the Optionor 200,000 common shares.

In addition, if the Corporation obtains a preliminary economic assessment, study, pre-feasibility study or feasibility study prepared by an independent qualified person in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, the Corporation shall make a cash payment in the amount of $200,000 to the Optionor.

All Common Shares issued will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

On November 28, 2023, the Corporation acquired additional land surrounding the Lynx rare earth elements project for $3,300.

MOOSE REE PROPERTY

On January 9, 2026, the Corporation entered into an option agreement with Les Ressources Tectonic Inc. (the "Optionor") pursuant to which the Corporation has been granted an option to acquire 100% beneficial and legal interest in the Lynx rare earth elements project located in Quebec, Canada.

Under the terms of the option agreement, the Corporation may exercise the option to acquire a 100% interest in the Property upon completion of the following option payments:

- In February 2026, the Corporation issued 250,000 common shares.
- On the first anniversary, the Corporation shall make a cash payment in the amount of $30,000 to the Optionor and issue the Optionor 125,000 common shares in the capital of the Corporation;
- On or before the second anniversary, the Corporation shall make a cash payment in the amount of $50,000 to the Optionor and issue the Optionor 200,000 common shares;
- On or before the third anniversary date, the Corporation shall make a cash payment in the amount of $75,000 to the Optionor and issue the Optionor 250,000 common shares.

In addition, if the Corporation obtains a preliminary economic assessment, study, pre-feasibility study or feasibility study prepared by an independent qualified person in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, the Corporation shall make a cash payment in the amount of $200,000 to the Optionor.

All Common Shares issued will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

CÔTE NORD PROJECTS – CARIBOU REE PROPERTY

The Corporation entered into a purchase agreement, on February 28, 2024, with an arm's length party, pursuant to which the Corporation acquired certain mineral claims in the Province of Quebec. As consideration, the Corporation issued, on March 7, 2024, 3,000,000 common shares to the seller (valued at $660,000).

5. RELATED PARTY TRANSACTIONS

There were no related party transactions during the nine-month period ended January 31, 2026.

6. SHARE CAPITAL

AUTHORIZED AND ISSUED

Unlimited common shares without par value.

NINE-MONTH PERIOD ENDED JANUARY 31, 2026

In November 2025, the Corporation issued 150,000 common shares as an option payment for the Lynx REE property, valued at $22,500 (Note 4).

(EXPRESSED IN CANADIAN DOLLARS)

NINE-MONTH PERIOD ENDED JANUARY 31, 2025

On June 5, 2024, the Corporation completed a non-brokered private placement through the issuance of 4,203,333 common shares of the Corporation at a price of $0.15 per share and 2,283,000 flow-through shares ("FT share") at $0.18 per FT share for aggregate gross proceeds of $1,041,400.

In November 2024, the Corporation issued 100,000 common shares as an option payment for the Lynx REE property, valued at $8,000 (Note 4).

FLOW-THROUGH SHARE PREMIUM

	NINE-MONTH PERIOD ENDED JANUARY 31, 2026	YEAR ENDED APRIL 30, 2025
	$	
Flow-through share premium – Beginning of period	28,800	-
Addition	-	68,500
Amortization	(28,800)	(39,700)
Flow-through share premium – End of period	-	28,800

As of January 31, 2026, no amount remains to be incurred, pursuant to the flow-through financing agreement.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation's financial instruments consisted of cash, loans receivable, receivables, trade payables and accrued liabilities, due to related parties and loans payable. The carrying value of these financial instruments approximates their fair value due to the short period of time to maturity.