

Q2 Metals Completes \$10.25 Million Private Placement Financing

Vancouver, British Columbia--(Newsfile Corp. - February 23, 2023) - **Q2 Metals Corp. (TSXV: QTWO) (OTCQB: QUEXF) (FSE: 458)** ("**Q2**" or the "**Company**") is pleased to announce that it has completed its previously announced private placement financing for aggregate proceeds to the Company of \$10,250,000 CDN, consisting of 12,908,333 units (the "Offering") as follows:

- 6,250,000 units of the Company at a price of \$1.04 per unit (the "Series C Units"). Each Series C Unit consisted of one flow-through common share of the Company (a "FT Share"), and one common share purchase warrant, entitling the holder to acquire one additional non-flow-through common share (a "Share") at a price of \$1.25 per Share for a period of two years (a "Warrant");
- 1,350,000 units of the Company at a price of \$0.75 per unit (the "Series R Units"). Each Series R Unit consisted of one FT Share and one Warrant;
- 4,975,000 units of the Company at a price of \$0.50 per unit (the "NFT Units"). Each NFT Unit consisted of one non-flow-through Share and one Warrant; and
- 333,333 units of the Company at a price of \$0.75 per unit (the "Additional Units"). Each Additional Unit consisted of one non-flow-through Share and one Warrant.

"The closing of this private placement is a major milestone for the Company that will enable us to complete a robust 2023 field exploration program that is expected to commence this spring with our inaugural drilling campaign planned for launch this summer," said Q2 President and CEO, Alicia Milne. "Our balance sheet stands at well over \$11 million and with significant in-the-money warrants and options, we are well-capitalized for the foreseeable future. Members of the team will be attending PDAC in Toronto and look forward to meeting existing and prospective shareholders in person."

Gross proceeds from the sale of the FT Shares will be used in 2023 to incur "Canadian exploration expenses" that qualify as "flow-through critical mineral mining expenditures" as defined in the *Income Tax Act* (Canada) (the "Tax Act"), on the Company's Mia Lithium Property in Québec. Where applicable, gross proceeds from the sale of the FT Shares from purchasers in Québec will also qualify as "Canadian exploration expense" and qualify for inclusion in the "exploration base relating to certain Québec exploration expenses" and the "exploration base relating to certain Québec surface mining or oil and gas exploration expenses", under the *Taxation Act* (Québec). Proceeds from the sale of the NFT Units and Additional Units will be used for general working capital.

A total of 312,500 Shares and 937,000 finder's warrants ("Finder's Warrants") were issued in connection with the Offering to Churchill SIG Pty Ltd. of Subiaco, Western Australia. 312,500 of the Finder's Warrants are each exercisable into one Share at a price of \$0.50 per Share for a period of two years, and 625,000 of the Finder's Warrant are each exercisable into one Share at a price of \$1.25 per Share for a period of two years.

All securities issued with respect to the Offering will be subject to a hold period of four months and one day in accordance with applicable securities laws or the Exchange Hold Period under the policies of the TSX Venture Exchange.

The securities issued and issuable pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful in the United States of America.

Certain directors and officers of the Company participated in the Offering and purchased 33,336 Series R Units and 200,000 NFT Units. As such directors and officers are "related parties" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators ("MI 61-101"), the Offering constituted a "related party transaction" under MI 61-101. Q2 is relying on exemptions from the formal valuation and minority shareholder approval requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the securities to be issued, nor the fair market value of the consideration for the securities to be issued, insofar as it involves interested parties, will exceed 25% of the Issuer's market capitalization as calculated in accordance with MI 61-101. A material change report will be filed less than 21 days prior to the closing of the Offering. The shorter period was necessary in order to permit the Company to close the Offering in a timeframe consistent with usual market practice for transactions of this nature.

About Q2 Metals Corp

Q2 Metals Corp is a Canadian mineral exploration company currently advancing exploration of the 86km² Mia Lithium project in the James Bay area of Québec, Canada, which is host to the Mia Li-1 and Mia Li-2 occurrences which grade 0.47% Li₂O and 2.27% Li₂O respectively. Q2 is also exploring the highly prospective Big Hill and Titan gold projects covering approximately 110 square kilometers in the Talgai Goldfields of the broader Warwick-Texas District, in Queensland, Australia, which hosts 54 high-grade historical gold mines.

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Qualified Person

Neil McCallum, B.Sc., P.Geol., is a registered permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, and has reviewed the technical information in this news release. Mr. McCallum is a director of Q2.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian legislation. Forward-looking statements are typically identified by words such as: "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. Accordingly, all statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, any statements or plans regard the geological prospects of the Company's properties and the future exploration endeavors of the Company. *Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance*

and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain necessary approvals, unsuccessful exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, risks associated with regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, uninsured risks, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same. Readers are cautioned that mineral exploration and development of mines is an inherently risky business and accordingly, the actual events may differ materially from those projected in the forward-looking statements. Additional risk factors are discussed in the section entitled "Risk Factors" in the Company's Management Discussion and Analysis for its recently completed fiscal period, which is available under Company's SEDAR profile at www.sedar.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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