



Q2 METALS CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

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Vancouver, British Columbia, August 2, 2024 – Q2 Metals Corp. (TSX.V: QTWO | OTCQB: QUEXF | FSE: 458) (“Q2” or the “Company”) is pleased to announce that it has closed the first tranche (the “First Tranche”) of the non-brokered private placement of units (the “Offering”) of the Company as announced on July 10 and updated July 11, 2024. Under the First Tranche, the Company has issued:

- 1,142,857 flow-through units at a price of \$0.35 per unit (the “FT Units”) for total gross proceeds of \$400,000, representing an upside of 142,857 FT Units, with each unit consisting of one flow-through common share of Q2 (a “FT Share”) and one half of one share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder to acquire one additional non-flow-through common share of Q2 at a price of \$0.50 per share for a period of two years; and
- 8,519,998 non-flow-through units at a price of \$0.25 per unit (the “NFT Units”) with each NFT Unit consisting of one non-flow-through common share of Q2 and one half of one Warrant, for total gross proceeds of \$2,130,000.

Gross proceeds from the issuance of the FT Units will be used to incur “Canadian exploration expenses” that qualify as “flow-through critical mineral mining expenditures,” as such terms are defined in the *Income Tax Act* (Canada) (the “Tax Act”), on Q2’s lithium projects in Quebec that the Company will renounce to the subscribers pursuant to the Tax Act with an effective date not later than December 31, 2024. Where applicable, gross proceeds from the sale of the FT Units from purchasers in Québec will also qualify as “Canadian exploration expense” under the *Taxation Act* (Québec) and qualify for inclusion in the “exploration base relating to certain Québec exploration expenses” and the “exploration base relating to certain Québec surface mining exploration expenses,” under the *Taxation Act* (Québec). Proceeds from the sale of the NFT Units will be used for general working capital.

The securities issued pursuant to this First Tranche are 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 TSXV. 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.

Closing of the charity flow-through unit (“CFT Unit”) portion of the Offering is subject to certain customary conditions and is now expected to occur on or about August 8, 2024 (the “Second Tranche”).

The Offering remains subject to receipt of acceptance by the TSX Venture Exchange (“TSXV”). The Company may pay finders’ fees in accordance with the policies of the TSXV. 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 TSXV.

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, including any of the securities in the United States of America.

The securities 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.

About Q2 Metals Corp

Q2 Metals is a Canadian mineral exploration company focused on unlocking its portfolio of lithium projects in the Eeyou Istchee James Bay region of Quebec, Canada, that includes both its 100-per-cent-owned Mia Lithium Property and the Cisco Lithium Property.

The Cisco lithium property is located approximately 150 km north of Matagami, Que., and comprises 222 mineral claims and is 11,374 ha in size. The property has district-scale potential with an already identified mineralized zone and a discovery drill result of 115.4 metres of 1.40% lithium oxide (hole CS-23-05), cumulatively in five separate pegmatites.

The Company’s exploration advancement at its 8,668-hectare Mia lithium property is focused on the more than 10-kilometre-long Mia trend which is host to both the Mia 1 and Mia 2 lithium occurrences and 11 other mineralized zones along trend.

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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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this news release speak only as of the date of this news release or as of the date specified in such statement. Forward looking statements in this news release include, but are not limited to, the Offering, the focus of the Company's current and future exploration and drill programs, the scale, scope and location of future exploration and drilling activities, the Company's expectations in connection with the projects and exploration programs being met, the Company's objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain necessary approvals, variations in ore grade or recovery rates, changes in project parameters as plans continue to be refined, 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.sedarplus.ca.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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.