## Background and Corporate Update

This Management's Discussion and Analysis ("MD&A") for Quebec Nickel Corp. (the "Company") is prepared as at November 28, 2023 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three- and six-month periods ended September 30, 2023 and in conjunction with the Company's March 31, 2023 audited financial statements and related notes. This MD&A is prepared in accordance with section 2.2.1 of National Instrument 51-102, *Continuous Disclosure Obligations* ("NI 51-102"), which contemplates venture issuers providing quarterly highlights reporting by way of a brief narrative update about the business activities, financial condition, financial performance and cash flow of the Company.

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedarplus.ca.

The Company's principal business activities include the acquisition and exploration of mineral resource properties. The Company has one exploration property located in the Val-d'Or area of Quebec, Canada.

On June 21, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission and on July 2, 2021, the Company's common shares began trading on the CSE under the symbol 'QNI'. On September 13, 2021, the Company's common shares were listed for trading on the Frankfurt Exchange under the symbol '71B'.

## Forward-Looking Statements

Certain statements contained in the MD&A may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company's business plans focussed on the exploration and development of its mineral property; proposed work programs on its mineral property; costs and timing of future exploration and development activities; timing and receipt of approvals, consents and permits under applicable legislation; use of available funds and ability for the Company to raise additional funds; business objectives and milestones; and adequacy of financial resources. A more detailed discussion of forward-looking statements is included in the Company's Prospectus dated June 21, 2021. Readers are cautioned not to place undue reliance on forward-looking statements.

## Risks and Uncertainties

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, limited operating history, speculative nature of mineral exploration, dilution, mineral titles, loss of interest in properties, permits and government regulations, environmental and safety regulations and risks, fluctuating mineral prices, financing risks and competition. A more detailed discussion of these risk factors is included in the Company's Prospectus dated June 21, 2021.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

## Exploration and Evaluation Property

Ducros Property

On October 6, 2020, the Company entered into an agreement with Val-d'Or Mining Corporation ("Val-d'Or") for the purchase of 100% interest in a mineral property, referred to as the Ducros Property. The Company issued 3,589,341 special warrants with a fair value of $0.05 for the purchase of the mineral property. The 3,589,341 special warrants were subsequently converted, at no additional cost, into 3,589,341 common shares of the Company.

Subsequent to the initial property purchase agreement with Val-d'Or, additional claims were staked and included in the within the Ducros land package, which now totals 282 mineral claims covering 15,293 hectares located in the Val-d'Or area of Quebec, Canada.

The Ducros claims are subject to net smelter return royalties and an associated area of interest which includes the additional staked property. Commencing on October 6, 2024, the Company shall pay to Val-d'Or advance minimum yearly royalty payments of $10,000.

On June 6, 2023, the Company announced that due to an emergency order from the Québec Ministère des Ressources naturelles et des Forêts (Ministry of Natural Resources and Forests) prohibiting access to lands in the province impacted by forest fires, all field-based exploration activities were temporarily suspended at the Ducros Property. The work restriction order was lifted in August 2023 and the Company resumed exploration activities during the month.

***Fortin Sill Zone Drilling***

During the first half of 2023, exploration drilling by the Company was focused on testing targets that required winter conditions to access and drill, notably in the central and western portions of the Ducros claims. After the fire related work restrictions were lifted in late July, exploration resumed at the highly prospective Fortin Sill Zone where ground conditions allow for year-round access.

Drilling at the Fortin Sill Zone followed-up on some of the results achieved in 2022, including from hole QDG-22-29, which returned an 11.80 metre interval containing 1.44% Ni, 1.49% Cu, 461 ppm Co and 2.79 g/t Pt-Pd-Au that includes a higher-grade subinterval assaying 1.85% Ni, 1.65% Cu (3.50% Ni + Cu), 576 ppm Co and 3.27 g/t Pt-Pd-Au over 8.43 metres (see August 30, 2022 News Release for reference). Step-out drilling completed later in 2022 discovered additional nickel-copper-PGE mineralization down-plunge from the main sulphide zone including a 4.90-metre-long 2 intercept averaging 0.77% Ni, 0.56% Cu, 340 ppm Co and 0.80 g/t Pt-Pd-Au which includes a higher grade three-metre-long subinterval of 1.06% Ni, 0.77% Cu, 447 ppm Co and 1.09 g/t Pt-Pd-Au in hole QDG-22-63 (see March 1, 2023 News Release for more information).

The 2023 drilling program at Fortin Sill focused on exploring for additional Ni-Cu-PGE sulphides down plunge and along strike of the main outcropping mineralized zone. Up to 5,000 metres of drilling is planned, which will span more than two kilometers of the strike length of the prospective geology. This work will also test the refined geological model discussed in the Company's December 15, 2022 news release. Downhole electromagnetic geophysical surveys will be used to vector towards large accumulations of conductive Ni-Cu-PGE sulphides.

***Ducros Gabbro***

The Q-Zone lies at the southern edge of the large five by five-kilometer Ducros Gabbro target, which is interpreted to be a large gabbroic intrusion, as outlined in the Québec Government's digital SIGÉOM database. Airborne geophysical data collected by the Company in 2022 demonstrates the Q-Zone is characterized as having a strong magnetic high signature, divided into southern, central and northern lobes.

Previous exploration conducted in the Q-Zone target area was limited to a single 145-metre-long hole drilled in 1957 that encountered mostly gabbroic rocks (Québec Government assessment report GM 38569). In addition to this lone drill hole, the Company completed a till sampling program during the spring of 2021 approximately two kilometers west of the Q-Zone target. The results of this till sampling program as summarized in the Company's September 23, 2021 News Release.

*Q-Zone Drilling Results Highlights*

Hole ***QDG-23-303*** was drilled towards the northwest to test the southern lobe magnetic high and encountered ultramafic intrusive rocks throughout most of its 351-metre length. Assay results for this hole include 0.17% nickel and 114 ppm cobalt over 322.77 metres and includes a 52.50 metre interval of 0.20% Ni + 115 ppm Co at the bottom of the hole.

Hole ***QDG-23-306*** was directed towards the northwest to test the central lobe of the Q-Zone magnetic high. After collaring in sedimentary rocks at 42 metres hole depth, QDG-23-306 encountered 40 metres of gabbro before coring a 475-metre-long interval of variably altered ultramafic rocks (dunite). Assay results from this hole are highlighted by 0.22% Ni + 122 ppm Co over the final 164.50 metres of the hole.

Hole ***QDG-23-307*** was collared 275 metres northwest of QDG-23-306 and was also drilled towards the northwest to locate the contact between the ultramafic intrusion and surrounding host country rocks. The hole collared in the variably altered dunite intrusion at 30 metres hole depth and remained in this ultramafic until 310 metres hole depth where it cored through a 50-metre-long interval of gabbro before encountering a mixed interval of mafic volcanics, sediments and thin ultramafic dykes until the end of the 402-metre-long hole. Hole QDG-23-307 returned 0.20% Ni + 107 ppm Co over 249 metres core length starting at 30 metres down hole and includes a 90-metre-long interval assaying 0.22% Ni + 114 ppm Co.

These drilling results in combination with the modeled geophysical fingerprint of the target area indicate the Q-Zone spans approximately two kilometres in a northeast-southwest direction by about one kilometer in width. The discovery of the Q-Zone, another large nickel + cobalt-bearing ultramafic intrusion, and the Ducros Sill Zone (see results in July 12, 2023 News Release) makes this the second such discovery by the Company during the first half of 2023.

### Analysis of the Company's Financial Performance and Condition

The following is a summary of the Company's results for the eight most recently completed quarters:

| | Revenue ($) | Net Income (Loss) ($) | Income/ (loss) per share ($) | Total Assets ($) | Total Current Liabilities ($) | Working Capital ($) |
|---|---|---|---|---|---|---|
| September 30, 2023 | $nil | 55,645 | 0.00 | 16,690,237 | 1,195,808 | 944,541 |
| June 30, 2023 | $nil | 225,905 | 0.00 | 16,428,873 | 1,125,289 | 2,477,490 |
| March 31, 2023 | $nil | (1,065,305) | (0.01) | 17,681,411 | 2,586,665 | 4,044,696 |
| December 31, 2022 | $nil | (232,805) | (0.00) | 17,520,679 | 3,089,575 | 6,273,707 |
| September 30, 2022 | $nil | (399,550) | (0.01) | 9,445,121 | 1,016,826 | 3,066,626 |
| June 30, 2022 | $nil | (196,024) | (0.00) | 9,131,606 | 592,862 | 5,295,221 |
| March 31, 2022 | $nil | (1,884,909) | (0.04) | 9,221,268 | 486,499 | 8,734,769 |
| December 31, 2021 | $nil | (600,346) | (0.01) | 8,858,946 | 511,668 | 8,347,278 |

The only material variations are:

(i) the Company recognized a net income of $225,905 for the quarter ended June 30, 2023 as a flow-through premium of $440,375 was recognized offsetting expenditures recognized during the period.

(ii) the increased loss for the three-month period ended March 31, 2023 can be attributed to a deferred tax expenditure of $1,463,000 because of the Company's renunciation of its flow-through expenditures during the period.

(iii) the Company saw an increase in total assets for the three-month period ended December 31, 2022 that can be attributed to the closing of a private placement for gross proceeds of $8,695,288.

(iv) the increased net loss for the quarter ended September 30, 2022 can be attributed the recognition of share-based payments recognized on the granting of 1,775,000 stock options. The Company also incurred additional professional fees relating to auding and tax matters. The Company also incurred higher travel costs due to investor relations work.

(v) the increased net loss for the quarter ended March 31, 2022 can be attributed to a deferred tax expenditure of $1,587,500 because of the Company's renunciation of its flow-through expenditures during the period.

(vi) the Company saw a significant increase in assets in the quarter ended December 31, 2022 as the Company issued an aggregate of 27,407,496 common shares for gross proceeds of $8,695,2880. The Company also recognized share-based payment costs of $464,700 as it began securing qualified individuals to manage the business.

**Three-months ended September 30, 2023**

The Company reported a net income of $55,645 (Q2-FY2023 - $(399,550)) and an income (loss) per share of $0.00 (Q2-FY2023 – ($0.01)) for the three-months ended September 30, 2023. The net income for the period was a result of the recognition of a flow-through premium ($490,660) (FY2023 - $nil) which offset general expenditures of $454,717 (Q2-FY2023 - $410,528) for the three-month period ended September 30, 2023.

A summary of the Company's expenditures is as follows:

- General and administrative expenses were $48,582 (Q2-FY2023 - $47,098) and consisted principally of administrative fees and rent. These costs are generally comparable to those incurred in the corresponding three-month period ended September 30, 2022.
- Management fees were $103,334 (Q2-FY2023 - $32,000) include $16,667 (Q2-FY2023 - $nil) paid or accrued to the former CEO of the Company, $28,334 (Q2-FY2023 - $nil) paid to the interim CEO, $37,500 (Q2-FY2023 - $18,000) paid or accrued to the CFO and $14,000 (Q2-FY2023 - $14,000) paid to the independent directors. The increased costs can be attributed to adjustments in remuneration required to attract and retain qualified individuals.
- Professional fees were $100,530 (Q2-FY2023 - $63,156) and were comprised of $59,251 (Q2-FY2023 – $48,888) for accounting and audit fees, $1,279 (Q2-FY2023 - $14,268) for legal fees and, $40,000 (Q2-FY2023 - $nil) for business advisory services. The increase in fees from the prior period can be attributed to business development activities initiated during that time. These activities included the development of a marketing and business plan.
- Promotion and marketing costs were $53,915 (Q2-FY2023 - $36,111) and were comprised of capital market advisory services, website design and development, corporate presentation materials, creation of promotional videos, and news release dissemination costs. Costs are higher in the current period as the Company continues to develop and promote various marketing programs to increase the Company's profile to investors.
- Transfer agent and filing fees were $13,094 (Q2-FY2023 - $14,120) and consisted of monthly transfer agent, OTC listing and CSE listing fees.
- Travel costs were $62 (Q2-FY2023 - $38,743) and can be attributed to the costs associated with travel to promotional events, trade shows and site visits in the previous year.

**<u>Six-months ended September 30, 2023</u>**

The Company reported a net income (loss) of $281,550 (FY2023 - $(595,574)) and an income per share of $0.00 (FY2023 - $0.01) for the six-months ended September 30, 2023. The net income for the period was a result of the recognition of a flow-through premium of $931,035 (FY2023 - $nil) which offset general expenditures of $717,026 (FY2023 - $611,484) for the six-month period ended September 30, 2023.

A summary of the Company's expenditures is as follows:

- General and administrative expenses were $98,412 (FY2023 - $107,781) and consisted principally of administrative fees and rent. The increased costs from the previous year can be attributed to many one-time initiatives for consulting and advisory services.
- Management fees were $209,835 (FY2023 - $53,000) and includes $38,334 (FY2023 - $nil) paid or accrued to the former CEO of the Company, $57,502 (Q1-FY2023 - $nil) paid to the interim CEO, $75,000 (FY2023 - $33,000) paid or accrued to the CFO and $24,000 (FY2023 - $20,000) paid to the independent directors. The increased costs can be attributed to adjustments in remuneration required to attract and retain qualified individuals.
- Professional fees were $111,589 (FY2023 - $103,508) and were comprised of $70,751 (FY2023 – $72,240) for accounting and audit fees, $838 (FY2023 - $14,268) for legal fees and, $40,000 (FY2023 - $17,000) for business advisory services. The increase in fees from the prior period can be attributed to business development activities initiated during that time. These activities included the development of a marketing and business plan.
- Promotion and marketing costs were $122,641 (FY2023 - $68,677) and were composed of capital market advisory services, website design and development, corporate presentation materials, creation of promotional videos, and news release dissemination costs. Costs are higher in the current period as the Company continues to develop and promote various marketing programs to increase the Company's profile to investors.

- Transfer agent and filing fees were $22,215 (FY2023 - $25,618) and consisted of monthly transfer agent, OTC listing and CSE listing fees.
- Travel costs were $17,134 (FY2023 - $73,600) and can be attributed to the costs associated with travel to promotional events, trade shows and site visits.

**Securities Outstanding**

As at September 30, 2023 and the date of this MD&A, the Company had 115,344,205 common shares issued and outstanding.

As at September 30, 2023, the Company had 14,160,371 warrants issued and outstanding.

Subsequent to the period ended September 30, 2023, an aggregate of 6,618,549 warrants with a weighted average exercise price of $0.30 expired unexercised.

As at the date of this MD&A, the Company had 7,541,822 warrants issued and outstanding.

As at September 30, 2023, the Company had 10,725,000 stock options issued and outstanding.

Subsequent to the period ended September 30, 2023, an aggregate of 3,150,000 options with an exercise price of $0.30 expired unexercised.

As at the date of this MD&A, the Company had 7,575,000 stock options issued and outstanding.

**Liquidity and Capital Resources**

As at September 30, 2023, the Company had a cash and cash equivalents balance of $1,722,021 to settle trade liabilities of $925,443. The Company expects to fund future expenditures, if necessary, through the issuance of capital stock. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

The flow-through share premium liability of $270,365 will not be paid in cash but will be settled upon the incurrence of eligible expenditures.

**Related Party Transactions**

Refer to note 7 of the September 30, 2023 condensed interim financial statements.

**Directors and Officers**

As at September 30, 2023 and the date of this MD&A, the directors and officers of the Company are as follows:

| | |
|---|---|
| Richard Dufresne | Director and interim CEO |
| David Patterson | Director |
| Christine Petch | Director |
| Hani Zabaneh | Director |
| Gary DeSchutter | VP of Exploration |
| Ming Jang | CFO |

The Company's Advisory Board consists of Glenn Mullan, David Gower, and Daniel Scheiber.