Background and Corporate Update

This Management's Discussion and Analysis ("MD&A") for Quebec Nickel Corp. (the "Company") is prepared as at February 25, 2025 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three- and nine-month periods ended December 31, 2024 and in conjunction with the Company's March 31, 2024 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 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, located in the Val d'Or area of Quebec, Canada. The Company issued 358,934 special warrants at their fair value of $0.50 for the purchase of the mineral property. The 358,934 special warrants were subsequently converted, at no additional cost, into 358,934 common shares of the Company.

During the three-month period ended December 31, 2024, the Company returned an aggregate of 237 mining claims back to Val-d'Or. As at December 31, 2024, the Company had 45 (2023 – 282) contiguous mining claims.

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 began paying to Val-d'Or, an advance annual royalty payments of $10,000.

During the nine-month periods ended December 31, 2024 and 2023, the Company incurred the following exploration expenditures on the property:

	For the nine-month periods ended December 31,		Cumulative expenditures through to December 31,	
	2024	2023	2024	2023
Acquisition Costs				
Land acquisition	$ -	$ -	$ 211,850	$ 211,850
Exploration Costs				
Assays	-	516,727	1,674,127	1,643,158
Biochemistry	-	18,533	133,765	133,765
Consulting	18,816	31,868	91,212	51,258
Drilling	-	1,495,967	5,169,606	5,169,606
Environmental baseline	-	97,808	130,224	97,808
Equipment rentals	7,118	125,876	934,986	927,058
Geochemistry	-	65,577	65,577	65,577
Geology	-	1,133,546	4,094,079	4,094,080
Geophysics	-	153,798	1,270,353	1,270,353
Lodging and meals	7,200	300,472	503,983	491,783
Metallurgy	-	131,069	128,593	131,069
Permits and licenses	21,140	11,858	142,749	146,773
Supplies and materials	-	493,852	1,304,862	1,301,222
Exploration tax credit	(74,618)	(1,703,160)	(1,886,137)	(1,811,519)
	(20,346)	2,873,791	13,757,979	13,711,991
Total exploration & evaluation expenditures	$ (20,346)	$ 2,873,791	$ 13,969,829	$ 13,923,841

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 ($)
December 31, 2024	$nil	(93,495)	(0.01)	15,413,056	73,327	1,369,900
September 30, 2024	$nil	(125,836)	(0.01)	15,235,069	85,206	1,181,676
June 30, 2024	$nil	(150,008)	(0.01)	15,431,413	155,714	1,330,295
March 31, 2024	$nil	868,213	0.07	15,595,066	169,359	1,435,532
December 31 2024	$nil	153,595	0.02	16,308,081	660,057	1,724,184
September 30, 2023	$nil	55,645	0.00	16,690,237	1,195,808	944,541
June 30, 2023	$nil	225,905	0.02	16,428,873	1,125,289	2,477,490
March 31, 2023	$nil	(1,065,305)	(0.10)	17,681,411	2,586,665	4,044,696
December 31, 2022	$nil	(232,805)	(0.03)	17,520,679	3,089,575	6,273,707

The only material variations are:

(i) for the three-month period ended December 31, 2024, the Company incurred share-based payments of $33,600 on the issuance of 525,000 options to various directors, officers and consultants.

(ii) the Company reported a loss of $(125,836) for the three-month period ended September 30, 2024 compared to a net income of $55,645 for the corresponding three-month period ended September 30, 2023. The net income for the corresponding period was a result of the recognition of a flow-through premium ($490,660) which offset general expenditures.

(iii) 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.

(iv) 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.

(v) 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.

(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.

Nine-month period ended December 31, 2024

The Company reported a loss of $(369,339) for the nine-month period ended December 31, 2024 compared to a net income of $435,145 for the corresponding nine-month period ended December 31, 2023. The net income for the corresponding period was a result of the recognition of a flow-through premium ($1,201,400) which offset general expenditures.

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

- General and administrative expenses were $110,541 (2023 - $146,787) and consisted principally of administrative fees and rent. The decreased costs for the current year can be attributed to cost cutting initiatives to preserve the Company's cash resources.
- Management fees were $156,167 (2023 - $299,335) and includes $66,667 (2023 - $103,334) paid to the CEO of the Company, $nil (2023 - $57,502) paid to the interim CEO, $73,500 (2023 - $112,500) paid or accrued to the CFO and $16,000 (2023 - $26,000) paid to the independent directors. The overall decrease in fees can be attributed to a reduction in fees paid to the management of the Company.
- Professional fees were $66,240 (2023 - $116,779) and were comprised of $47,490 (2023 – $72,240) for accounting and audit fees, $nil (2023 - $3,939) for legal fees and, $18,750 (2023 - $40,000) for business advisory services. The increase in fees from the prior period can be attributed to business development activities initiated during that time.
- Promotion and marketing costs were $9,836 (2023 - $140,780) and is generally composed of capital market advisory services, website design and news release dissemination costs. Costs have decreased significantly as the Company has scaled back on its promotional activities.
- Share-based payment was $33,600 (2023 - $135,200). During the nine-month period ended December 31, 2024, the Company had granted an aggregate of 525,000 stock options to various directors, officers and consultants; the fair value of these options was determined using the Black-Scholes option pricing model.
- Transfer agent and filing fees were $34,822 (2023 - $33,928) and consisted of monthly transfer agent, OTC listing and CSE listing fees.
- Travel costs were $2,152 (2023 - $17,294). The prior year's expenditures were higher and can be attributed to the costs associated with travel to promotional events, trade shows and site visits.

Three-months ended December 31, 2024

The Company reported a net loss of $(93,495) compared to a reported net income of $153,595 for the corresponding three-month period ended December 31, 2023. The net income for the corresponding period was a result of the recognition of a flow-through premium of $270,365 which offset general expenditures.

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

- General and administrative expenses were $28,461 (2023 - $48,375) and consisted principally of administrative fees and rent. The decrease in costs for the current period can be attributed to initiatives by the Company to reduce expenditures.
- Management fees were $14,500 (2023 - $89,500) include $nil (2023 - $50,000) paid to the CEO of the Company, $10,500 (2023 - $37,500) paid to the CFO and $4,000 (2023 - $2,000) paid to the independent directors.
- Professional fees were $13,058 (2023 - $5,190) and were composed of fees for $5,508 (2023 - $2,090) accounting and audit fees, $nil (2023 - $3,100) for legal fees and $7,550 (2023 - $nil) for business advisory services.

- Promotion and marketing costs were $1,080 (2023 - $18,139) and is generally composed of capital market advisory services, website design and news release dissemination costs. Costs have decreased significantly as the Company has scaled back on its promotional activities.
- Share-based payment was $33,600 (2023 - $nil). The Company had granted an aggregate of 525,000 stock options to various directors, officers and consultants; the fair value of these options was determined using the Black-Scholes option pricing model.
- Transfer agent and filing fees were $12,669 (2023 - $11,713) and consisted of monthly transfer agent, OTC listing and CSE listing fees.

Securities Outstanding

On November 13, 2024, the Company completed a private placement offering (the "Offering") raising $250,000 from the sale of 2,000,000 units (the "Units") at $0.125 per Unit. Each Unit is comprised of one common share (the "Shares") and one-half of one share purchase warrant (the "Warrants") exercisable for a period of two years. Each whole Warrant is exercisable into one Share at a price of $0.225 per Share.

The Units were offered to existing shareholders under British Columbia Instrument 45-534 - Exemption from Prospectus Requirement for Certain Trades to Existing Security Holders, and equivalent provisions of applicable securities laws in other jurisdictions of Canada (the "Existing Shareholder Exemption"). The net proceeds received from the Offering will be used by the Company for general working capital purposes. No directors or officers were eligible to participate in the Offering and the Offering will be subject to a hold period which will expire four months and one day from the date of closing of the Offering.

As at December 31, 2024 and the date of this MD&A, the Company had 13,534,420 common shares issued and outstanding.

During the nine-month period ended December 31, 2024, an aggregate of 754,182 warrants with an exercise price of $3.00 expired unexercised.

As at December 31, 2024 and the date of this MD&A, the Company had 1,000,000 warrants issued and outstanding.

On November 27, 2024, the Company granted 525,000 stock options to various directors, officers and consultants at an exercise price of $0.225. The stock options expire on November 27, 2026 and vested immediately upon grant. The Company recognized $33,600 for share-based payments.

The fair value of the 525,000 stock options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.20%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 129% and an expected life of 2 years. The fair value of the stock options was $0.06 per option. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

As at December 31, 2024 and the date of this MD&A, the Company had 610,000 options and outstanding with a weighted average exercise price of $0.35.

Liquidity and Capital Resources

As at December 31, 2024, the Company had a cash and cash equivalents balance of $1,261,162 to settle trade liabilities of $73,327. The Company expects to fund future expenditures 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.

Related Party Transactions

Refer to Note 8 of the December 31, 2024 condensed interim financial statements.

Directors and Officers

As at December 31, 2024 and the date of this MD&A, the directors and officers of the Company are as follows:

David Patterson	Director and CEO
Edward Low	Director
Hani Zabaneh	Director
Ming Jang	CFO