

Quebec Nickel Corp.

Condensed Interim Financial Statements For the Three- and Six-month Periods Ended September 30, 2024 and 2023 (Unaudited)

Notice to Reader

Under National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

Quebec Nickel Corp.

Condensed Interim Statements of Financial Position

(Stated in Canadian Dollars)

(Unaudited)

	Notes	September 30, 2024	March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	9	\$ 1,079,651	\$ 1,430,149
Amounts receivable	3	132,627	109,079
Prepaid expenses		54,604	65,663
Total current assets		1,266,882	1,604,891
Exploration and evaluation assets	4	13,968,187	13,990,175
TOTAL ASSETS		\$ 15,235,069	\$ 15,595,066
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	8	\$ 85,206	\$ 169,359
Total current assets		85,206	169,359
Deferred tax liability	6	1,544,950	1,544,950
TOTAL LIABILITIES		1,630,156	1,714,309
Shareholders' equity			
Common shares	6	15,444,778	15,444,778
Share-based payments reserve	7	1,997,700	1,997,700
Deficit		(3,837,565)	(3,561,721)
Total shareholders' equity		13,604,913	13,880,757
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 15,235,069	\$ 15,595,066
Nature and continuance of operations	1		
Subsequent events	12		

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

Quebec Nickel Corp.

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Stated in Canadian Dollars)

(Unaudited)

		For the three-month period ended September 30,		For the six-month periods ended September 30,	
	Notes	2024	2023	2024	2023
Expenses					
General and administrative		\$ 37,963	\$ 48,582	\$ 82,080	\$ 98,412
Management fees	8	48,167	103,334	141,667	209,835
Professional fees		41,682	100,530	53,182	111,589
Promotion and marketing		492	53,915	8,756	122,641
Share-based payments	7, 8	-	135,200	-	135,200
Transfer agent and filing fees		13,974	13,094	22,153	22,215
Travel		2,025	62	2,025	17,134
Loss before other items		(144,303)	(454,717)	(309,863)	(717,026)
Other income					
Flow-through share premium	6	-	490,660	-	931,035
Interest income		18,467	19,702	34,019	67,541
Net income (loss) and comprehensive income (loss) for the period		\$ (125,836)	\$ 55,645	\$ (275,844)	\$ 281,550
Weighted average number of common shares outstanding					
Basic		11,534,422	7,174,090	11,534,420	11,534,420
Diluted		11,534,422	7,174,090	11,534,420	11,534,420
Basic and diluted income (loss) per common share		\$ (0.01)	\$ 0.01	\$ (0.02)	\$ 0.02

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

Quebec Nickel Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Share-based Payments Reserve	Deficit	Total
	Number	Amount			
Balance at March 31, 2024	11,534,420	\$ 15,444,778	\$ 1,997,700	\$ (3,561,721)	\$ 13,880,757
Net and comprehensive loss for the period	-	-	-	(275,844)	(275,844)
Balance at September 30, 2024	11,534,420	\$ 15,444,778	\$ 1,997,700	\$ (3,837,565)	\$ 13,604,913

	Common Shares		Share-based Payments Reserve	Deficit	Total
	Number	Amount			
Balance at March 31, 2023	11,534,420	\$ 15,574,625	\$ 1,862,500	\$ (4,865,079)	\$ 12,572,046
Share issuance costs	-	(17,067)	-	-	(17,067)
Share-based payments	-	-	135,200	-	135,200
Net and comprehensive income for the period	-	-	-	281,550	281,550
Balance at September 30, 2023	11,534,420	\$ 15,557,558	\$ 1,997,700	\$ (4,583,529)	\$ 12,971,729

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

Quebec Nickel Corp.

Condensed Interim Statements of Cash Flows

(Stated in Canadian Dollars)

(Unaudited)

	For the six-month periods ended September 30,	
	2024	2023
Operating activities		
Net income (loss) for the period	\$ (275,844)	\$ 281,550
Item not involving cash:		
Flow-through share premium	-	(931,035)
Share-based payments	-	135,200
Changes in non-cash working capital items:		
Amounts receivable	(23,549)	626,144
Prepaid expenses	11,059	265,690
Trade and other payables	(84,152)	(1,255,490)
Net cash used in operating activities	(372,486)	(877,941)
Investing activity		
Exploration and evaluation assets, net	21,988	(2,704,171)
Net cash used in investing activity	21,988	(2,704,171)
Financing activities		
Share issuance costs	-	(17,067)
Net cash (used in) provided by financing activities	-	(17,067)
Change in cash and cash equivalents during the period	(350,498)	(3,599,179)
Cash and cash equivalents, beginning of period	1,430,149	5,321,200
Cash and cash equivalents, end of the period	\$ 1,079,652	\$ 1,722,021
Cash and cash equivalents consists of:		
Cash	\$ 38,627	681,701
Cash equivalents	1,041,025	1,040,320
	\$ 1,079,652	\$ 1,722,021

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

Quebec Nickel Corp.
Notes to the Financial Statements
September 30, 2024 and 2023
(Stated in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Quebec Nickel Corp. (the “Company”) was incorporated on September 18, 2020 pursuant to the Business Corporations Act (British Columbia). On June 21, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission. On July 5, 2021, the Company’s common shares began trading on the Canadian Securities Exchange (“CSE”) under the symbol ‘QNI’. The office and principal place of business of the Company is located at 1100 – 1111 Melville Street, Vancouver, BC, V6E 3V6.

These condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2024, the Company had not yet determined whether its mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

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.

On January 8, 2024, the Company completed a consolidation of the authorized and issued common shares of the Company on the basis of a one (1) post-consolidated common share for each ten (10) pre-consolidation common shares.

All information relating to basic and diluted loss per share, issued and outstanding common shares, options and warrants, and per share amounts in these financial statements have been adjusted retrospectively to reflect the share consolidation.

As at September 30, 2024, the Company had not yet achieved profitable operations, had an accumulated deficit of \$3,837,565 since inception, and expects to incur further losses in the development of its business. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its mineral property exploration activities. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements.

Quebec Nickel Corp.
Notes to the Financial Statements
September 30, 2024 and 2023
(Stated in Canadian Dollars)

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements, including comparatives, are unaudited and have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

b) Basis of presentation

These financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The financial statements have been prepared on an accrual basis, except for the statements of cash flows, and are based on historical costs.

c) Approval of the financial statements

The financial statements of the Company for the three- and six-month periods ended September 30, 2024 were reviewed, approved and authorized for issue by the Board of Directors on November 28, 2024.

d) New standards, interpretations and amendments not yet adopted

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after July 1, 2024 or later periods. The new and amended standards are not expected to have a material impact on the Company.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

3. AMOUNTS RECEIVABLE

The Company's amounts receivable is comprised of the following:

	Six-month periods ended September 30,	
	2024	2023
Interest receivable	\$ 40,169	\$ 170
Sales tax recoverable	17,840	340,365
Exploration tax credits	74,618	-
	\$ 132,627	\$ 340,535

Quebec Nickel Corp.
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(Stated in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

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.

As at September 30, 2024, the Company had staked 282 (2023 – 282) contiguous mining claims covering 15,261 (2023 – 15,261) hectares.

The Company is 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.

During the three-month periods ended September 30, 2024 and 2023, the Company incurred the following exploration expenditures on the property:

	For the three-month periods ended September 30,		Cumulative expenditures through to September 30,	
	2024	2023	2024	2023
Acquisition Costs				
Land acquisition	\$ -	\$ -	\$ 211,850	\$ 211,850
Exploration Costs				
Assays	-	454,510	1,674,127	1,580,941
Biochemistry	-	9,760	133,765	124,992
Consulting	-	18,383	91,212	33,487
Drilling	-	1,314,092	5,169,606	4,987,731
Environmental baseline	-	38,715	130,224	38,715
Equipment rentals	1,643	101,151	933,343	902,333
Geochemistry	-	50,449	65,577	50,449
Geology	-	849,886	4,094,079	3,810,420
Geophysics	-	57,165	1,270,353	1,173,721
Lodging and meals	-	239,806	503,983	431,116
Metallurgy	-	55,259	128,593	55,259
Permits and licenses	21,140	9,163	142,749	148,364
Supplies and materials	-	315,886	1,304,862	1,123,256
Exploration tax credit	-	14,387	(1,886,137)	(122,746)
	22,783	3,499,838	13,756,337	14,338,038
Total exploration & evaluation expenditures	\$ 22,783	\$ 3,499,838	\$ 13,968,187	\$ 14,549,888

Quebec Nickel Corp.
Notes to the Financial Statements
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5. DEFERRED TAX LIABILITY AND FLOW-THROUGH SHARE PREMIUM LIABILITY

During the year-ended March 31, 2023, the Company issued an aggregate of 2,653,037 flow-through shares (each, a "FT Share") for gross proceeds of \$6,570,288. The flow-through premium was determined to be \$2,002,700 and the Company recognized that amount as a liability prior to the renunciation of the exploration expenditures.

Effective December 31, 2022, the Company renounced \$6,570,288 in flow-through expenditures. The renunciation of expenditures created a deferred tax liability of \$2,800,230 (2023 - \$3,516,630).

6. COMMON SHARES

a) Authorized:

An unlimited number of common shares with no par value.

As at September 30, 2024 there were 19,575 (2023 – 58,725) common shares held in escrow.

b) During the six-month periods ended September 30, 2024 and 2023, no common shares were issued by the Company.

7. SHARE-BASED PAYMENTS RESERVE

a) Warrants:

The changes in warrants outstanding are as follows:

	Number of warrants	Weighted- average exercise price
Balance, April 1, 2022	1,774,595	\$ 1.70
Exercised	(632,240)	1.00
Expired	(480,500)	1.00
Issued	754,182	1.50
Balance, March 31, 2023	1,416,037	3.00
Expired	(661,855)	3.00
Balance, March 31, 2024 and September 30, 2024	754,182	\$ 3.00

Quebec Nickel Corp.
Notes to the Financial Statements
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7. SHARE-BASED PAYMENTS RESERVE (continued):

a) Warrants (continued):

Warrants exercisable and outstanding as at September 30, 2024 are as follows:

Expiry Date	Number of warrants	Exercise Price
December 9, 2024	626,472	\$ 3.00
December 29, 2024	127,710	3.00
	754,182	\$ 3.00

As at September 30, 2024, the weighted average life remaining of warrants outstanding was 0.22 years.

b) Stock Options:

On August 3, 2022, the Company adopted an option plan in accordance with the rules and policies of the CSE. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of the grant of the stock options, and (b) the date of grant of the stock options, and the term may not exceed 10 years. The aggregate number of securities available for issuance under the plan may not exceed 10% of the number of common shares of the Company issued and outstanding from time to time.

During the six-month period ended September 30, 2024, there were no stock options granted by the Company:

On August 10, 2023, the Company granted 400,000 stock options to various directors, officers and consultants at an exercise price of \$0.50. The stock options expire on August 9, 2025 and vested immediately upon grant. The Company recognized \$135,200 for share-based payments.

The fair value of the 400,000 stock options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 4.80%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 135% and an expected life of 2 years. The fair value of the stock options was \$0.34 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.

On August 29, 2022, the Company granted 177,500 stock options to directors, officers, and consultants, at an exercise price of \$1.50. The stock options expire on August 29, 2024 and vested immediately upon grant. The Company recognized \$179,300 for share-based payments.

The fair value of the 177,500 stock options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.60%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 135% and an expected life of 2 years. The fair value of the stock options was \$0.101 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.

Quebec Nickel Corp.
Notes to the Financial Statements
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7. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options:

The changes in stock options outstanding are as follows:

	Number of options	Weighted- average exercise price
Balance, April 1, 2022	570,000	\$ 2.50
Granted	177,500	1.50
Cancelled	(50,000)	1.10
Exercised	(25,000)	1.10
Balance, March 31, 2023	672,500	2.30
Granted	400,000	0.50
Cancelled	(572,500)	0.80
Expired	(415,000)	2.88
Balance, March 31, 2024 and September 30, 2024	85,000	\$ 1.10

Stock options exercisable and outstanding as at September 30, 2024 are as follows:

Expiry Date	Number of options	Exercise Price
July 28, 2026	85,000	1.10

As at September 30, 2024, the weighted average life remaining of options outstanding was 1.83 years.

8. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following is a summary of the related party transactions that occurred during the three- and six-month periods ended September 30, 2024 and 2023.

a) Compensation of key management personnel

The Company has determined that key management personnel consist of its Directors, the CEO, the CFO and the former Vice-President of Exploration.

Quebec Nickel Corp.
Notes to the Financial Statements
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8. RELATED PARTY TRANSACTIONS (continued):

	Three-month periods ended September 30,		Six-month periods ended September 30,	
	2024	2023	2024	2023
Management fees paid to a company controlled by the CEO of the Company	\$ 16,667	\$ 16,667	\$ 66,667	\$ 38,334
Management fees paid to a company controlled by the former interim-CEO of the Company	-	29,168	-	57,502
Management fees paid to a company controlled by the CFO of the Company	25,500	37,500	63,000	75,000
Consulting fees paid to a company controlled by the former VP Exploration of the Company	-	62,490	-	124,980
Management fees paid to the independent directors of the Company	6,000	10,000	12,000	24,000
Share-based payments	-	77,740	-	77,740
Total	\$ 48,167	\$ 233,565	\$ 141,667	\$ 397,556

As at September 30, 2024, \$6,825 (2024 - \$29,396) was owing to related parties and was included in trade and other payables.

9. FINANCIAL INSTRUMENTS

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at September 30, 2024 and 2023, the Company's financial instruments are cash and cash equivalents and trade and other payables. The amounts reflected in the statement of financial position approximate their fair values due to the short-term nature of these financial instruments.

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. There have been no changes in the Company's management and exposure of risks associated with financial instruments during the six-month periods ended September 2024 and 2023. The Company's financial risks exposure and its financial policies are as follows:

Quebec Nickel Corp.
Notes to the Financial Statements
September 30, 2024 and 2023
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9. FINANCIAL INSTRUMENTS (continued):

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents are exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash and cash equivalents consists of funds held at Canadian chartered banks or occasionally, in trust with the Company's corporate lawyer. Management does not believe the Company is exposed to material credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2024, the Company had a cash and cash equivalents balance of \$1,079,651 to settle trade and other payables of \$85,206. All of the Company's trade and other payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company expects to fund future expenditures through the issuance of capital stock.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Management does not believe the Company is exposed to material currency or other price risk.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash and cash equivalents comprise \$1,079,651 held at Canadian chartered banks, of which \$1,041,025 is held in cashable GICs which bear interest ranging from 2.25% to 5.20% per annum as at September 30, 2024.

The Company had no interest rate swaps or financial contracts in place as at or during the three-month periods ended September 30, 2024 and 2023.

10. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares in the amount of \$15,444,778 (2023 - \$15,557,558) and its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and explore mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new equity instruments.

Quebec Nickel Corp.
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10. CAPITAL MANAGEMENT (continued):

As the Company's mineral property is in the exploration stage, the Company is dependent on external financing to fund its activities. In order to carry out its operations, the Company will spend its existing working capital and raise additional amounts as needed.

There were no changes in the Company's approach to capital management during the six-month periods ended September 30, 2024 and 2023.

11. SEGEMENTED REPORTING

The Company operates in a single reportable segment being the acquisition and exploration of mineral property assets in Canada.

12. SUBSEQUENT EVENTS

- i. Subsequent to the period ended September 30, 2024, the Company announced and subsequently closed 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.

- ii. Subsequent to the period ended September 30, 2024, the Company provided notice to Val-d'Or Mining Corporation that it will be returning an aggregate of 237 mining claims.
- iii. Subsequent to the period ended September 30, 2024, the Company granted an aggregate of 425,000 options to certain directors, an officer and a consultant. The exercise price will be \$0.225 per option, will have a term of two years and will vest immediately.