This Management's Discussion & Analysis ("MD&A") prepared as at July 15, 2024, reviews the financial condition and results of operations of Quebec Nickel Corp. (the "Company") for the financial year ended March 31, 2024 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's March 31, 2024 audited financial statements and related notes.

The financial data included in the discussion provided in this report has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the annual audited financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the annual audited financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

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". On September 13, 2021, the Company's common shares were listed for trading on the Frankfurt Exchange under the symbol "71B". On February 22, 2022, the Company's common shares were listed for trading on OTCQB Venture Market under the symbol "QNICF".

The Company's principal business activities include the acquisition and exploration of mineral resource properties and the Company currently has one exploration property located in the Val d'Or area of Quebec, Canada. The Company's objective is to identify and develop economic mineral resource properties of merit and to conduct exploration programs thereon. The Company will continue to consider other opportunities to acquire and explore mineral properties as they arise.

Exploration and Evaluation Property

Ducros Project, Quebec, Canada

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 358,934 special warrants with a 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.

In addition, the Company has staked additional mineral claims, such that the Ducros Property presently consists of 282 contiguous mineral claims covering 15,261 hectares located in the Val d'Or area of Quebec, Canada.

The Ducros Property 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.

Prior to the commencement of exploration work in the summer of 2021, a Ni-Cu-PGE showings (Fortin Sill), as well as a quartz-vein hosted gold showing were known to exist on the property but have seen limited modern surface sampling and drilling.

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. An extensive drill program was conducted spanning 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 were 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 are 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.

On February 1, 2024, the Company announced the results from the metallurgical test work program completed on from the Fortin Sill Zone. The objective of the scoping-level metallurgical program was to evaluate the amenability of the Fortin Sill Zone to produce saleable Critical Metals-bearing mineral concentrate(s).

Highlights of the test work program were the following:

- copper concentrate grades of 30% Cu with greater than 90% recovery achieved;
- nickel concentrate grades of 5% Ni with recoveries averaging 72% realized;
- ball mill hardness testing indicates the sulphide-rich rocks are classified as "moderately soft" and;
- environmental characterization of the combined tails did not identify any notable leachable metals.

On June 6, 2023, the Company had 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.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information for the Company for the financial years ended March 31, 2024, 2023 and 2022. The information below was derived from the Company's audited financial statements and should be read in conjunction with those financial statements and the notes thereto.

	March 31, 2024	March 31, 2023	March 31, 2022
Total revenues	$ Nil	$ Nil	$ Nil
Income (loss) for the year	1,303,358	(1,893,685)	(2,866,874)
Income (loss) per share[(1)]	0.11	(0.23)	(0.57)
Total assets	15,595,066	17,681,411	9,221,268
Total current liabilities	169,359	2,586,665	486,499
Total non-current liabilities	1,544,950	2,522,700	1,310,500
Working capital	$ 1,435,532	$4,044,696	$7,197,744

[(1)] Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

RESULTS OF OPERATIONS

Loss for the year

The Company reported a net income and comprehensive income of $1,303,358 for the year ended March 31, 2024 compared to a net loss and comprehensive loss of $(1,893,685) for the year ended March 31, 2023. The net income for the year was a result of the Company meeting its flow-through obligations and as such, had relieved a flow-through share premium obligation of $1,201,400. The amount was previously recorded as a liability and was relieved as income for the year.

For the year ended March 31, 2024, the Company incurred $296,286 in general and administrative costs compared to $298,760 for the year ended March 31, 2023. Theses costs include insurance costs of $26,818 (FY2023 - $15,433), office rent of $46,900 (FY2023 - $81,333) and general office and support costs of $102,000 (FY2023 – $106,493).

For the year ended March 31, 2024, the Company incurred $376,168 in Management fees compared to $197,500 during the year ended March 31, 2023. Included in these fees are $32,000 (FY2023 - $56,000) paid to independent director fees, $136,666 (FY2023 - $50,000) paid to the CEO, $57,502 (FY2023 - $nil) paid to the interim-CEO and, $150,000 (FY2023 - $91,500) paid to the CFO of the Company.

Professional fees were $105,773 and $159,211 for the periods ended March 31, 2024 and 2023 respectively. The fees include $51,409 (FY2023 - 51,396) for audit and accounting, $3,950 (FY2022 - $26,230) for legal and $50,374 (FY2023 - $81,585) for business advisory services. The general increase in costs can be attributed to the increased activity in the Company during the year.

The Company incurred $149,193 in promotional and marketing costs for the year ended March 31, 2024 compared to $275,793 for in the corresponding year ended March 31, 2023. The decreased costs can be attributed to limited marketing activity based on the sentiment towards junior exploration companies during the year.

Share-based payments were $135,200 and $179,300 for the year ended March 31, 2024 and 2023 respectively. The additional costs in the previous year can be attributed to the need to attract qualified management personnel through the granting of options.

For the year ended March 31, 2024, the Company incurred $47,913 in transfer agent and filing fee costs compared to $62,279 during the year ended March 31, 2023. These costs are generally associated with the management of the Company's common shares upon listing of the Company's common shares on both the CSE and the Over-the-Counter ("OTC") market. Also included in these costs are various regulatory filing costs and fees.

The Company incurred $17,407 and $101,433 in travel costs for the years ended March 31, 2024 and 2023 respectively. The decrease costs can be attributed to limited activity incurred during the year in various marketing and promotional activities.

Total assets

Total assets of the Company were $15,595,066 as at March 31, 2024 compared to assets of $17,681,411 as at March 31, 2023. This decrease can largely be attributed to the use of funds for operating activities.

Total liabilities

As at March 31, 2024, the current trade liabilities of the Company were $169,359 compared to $1,385,265 as at March 31, 2023. The decrease in trade liabilities can be attributed to the decreased activity of the Company and the timing of settlement of its trade liabilities.

The decrease in current liabilities can also be attributed to the relief of this liability as the Company has met its flow-through obligations.

Additionally, the Company has recorded a deferred tax liability of $1,544,950 (FY2023 - $2,522,700) in connection with the renunciation of the flow-through shares. This liability will be offset only when there are sufficient deferred income tax assets available to be recognized.

The Company's current liabilities are primarily comprised of trade payables associated with its exploration activity at the Ducros property, and general administration.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Revenues	Net income (loss)	Net loss per share (1)
March 31, 2024	$nil	$ 868,213	$ 0.07
December 31, 2023	$nil	$ 153,595	$ 0.02
September 30, 2023	$nil	$ 55,645	$0.00
June 30, 2023	$nil	$ 225,905	$ 0.02
March 31, 2023	$nil	$ (1,065,305)	$(0.10)
December 31, 2022	$nil	$ (232,805)	$(0.03)
September 30, 2022	$nil	$ (399,550)	$(0.10)
June 30, 2022	$nil	$ (196,025)	$(0.02)

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

It is the nature of many junior companies that there are no sales or revenue. There can be significant variances in the Company's reported loss from quarter-to-quarter arising from factors that are difficult to anticipate in advance or to predict from past results.

LIQUIDITY AND CAPITAL RESOURCES

The Company has not generated any cash flow from operations. The Company's future financial success 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. Future cash flows from operations will be dependent on maximizing the potential of these opportunities.

In order to finance the continued work at its exploration and evaluation assets, the Company will be dependent on investor sentiment remaining positive towards the junior companies, and towards Quebec Nickel Corp. in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support junior exploration companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's 2024 audited financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

The Company has not financed its activities through loan financings. It is anticipated that as general sentiment towards junior companies turns positive, the Company can raise the necessary capital to secure and finance the acquisition of assets or a business.

Debt financing has not been used to finance general operating expenses. There are no other sources of financing that have been arranged by the Company.

The Company had working capital of $1,435,532 as at March 31, 2024 compared to working capital of $4,044,696 as at March 31, 2023. The decrease can largely be attributed to the to the Company's use of funds fin its exploration activities on the Ducros Property. The Company also recorded a flow-through share premium liability of $2,002,700 on the issuance of flow-through shares during the year ended March 31, 2023.

The Company has no commitments for capital expenditures.

Cash and Financial Conditions

The Company had a cash and cash equivalents balance of $1,430,149 as at March 31, 2024 compared to a cash and cash equivalents balance of $5,321,200 as at March 31, 2023. The decrease can largely be attributed to the to continued work on the Company's Durcos property and the Company's decision to not raise additional capital during the year.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

The Company does not use hedges or other financial derivatives.

Financing Activities

During the year ended March 31, 2024, the Company did not issue any common shares.

During the year-ended March 31, 2023, the Company issued 25,000 common shares pursuant to the exercise of 25,000 stock options at a weighted average price of $1.10 per share for gross proceeds of $27,500.

During the year ended March 31, 2023, the Company issued 632,240 common shares pursuant to the exercise of 632,240 warrants at $1.00 per share for gross proceeds of $632,240.

During the year ended March 31, 2023, the Company issued an aggregate of 3,715,538 common shares for gross proceeds of $8,695,288 pursuant to the closing of non-brokered private placements. The private placement were comprised of: 1) 1,062,500 units ("Unit"); 2) 623,038 flow-through shares ("FT Share"); and 3) 2,030,000 Quebec flow-through shares ("Quebec FT Share").

- Each Unit was issued for proceeds of $2.00 and comprised one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of $3.00 for a period of two years from the closing date.

  The fair value of the 531,250 warrants was estimated using the Residual Value Method whereby the Company bifurcated the Units which consisted of one common share and one-half of a common share purchase warrant. The common share component of the unit was measured at fair value using the market price and allocating the residual value of the Unit price to the share purchase warrant component. The weighted average value of the warrant component was determined to be $0.50 per warrant.

- Each FT Share was issued for proceeds of $2.40 per FT Share and comprised of one common share that qualifies as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada).

- Each Quebec FT Share was issued for proceeds of $2.50 per Quebec FT Share and comprised of one common share that qualifies as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada).

The Company incurred $740,966 in cash share issuance costs.

The Company also issued 222,932 broker warrants to arm's length third parties. Each broker warrant entitles the holder to acquire one common share of the Company for the price of $3.00 per common share for a period of two years following the closing.

The fair value of the 222,932 broker warrants was estimated using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 3.90%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 125% and an expected life of 2 years. The fair value

of the broker warrant was $0.90 per warrant. The expected volatility assumption is based on the estimated volatility of 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.

SECURITIES OUTSTANDING

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.

Prior to the consolidation, the Company had 115,344,205 pre-Consolidation Common Shares issued and outstanding. Following the Consolidation, the Company will have 11,534,422 post-Consolidated Common Shares issued and outstanding. All information relating to basic and diluted loss per share, issued and outstanding common shares, options and warrants, and per share amounts in the financial statements and this MD&A have been adjusted retrospectively to reflect the share consolidation.

As at March 31, 2024 and the date of this MD&A, the Company had 11,534,422 common shares issued and outstanding.

As at March 31, 2024 and the date of this MD&A, the Company had 754,182 warrants with a weighted average exercise price of $3.00 issued and outstanding.

As at March 31, 2024 and the date of this MD&A, the Company had 85,000 stock options with a weighted average exercise price of $1.10 issued and outstanding.

OUTLOOK

It is anticipated that in the continued and foreseeable future, the Company will rely on the equity markets to meet its financing needs. Should cash flow build through its business operations, the Company will be in a position to finance other initiatives from cash flow.

Without continued external funding to pursue and finance any business opportunities, there is substantial doubt as to the Company's ability to operate as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve successful business results or obtain adequate financing. Management and the Board of Directors continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2024 and the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

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. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

The following is a summary of the related party transactions that occurred during the years ended March 31, 2024 and 2023.

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

	Year-ended March 31, 2024		Year-ended March 31, 2023
Management fees paid to a company controlled by the CEO of the Company	$	136,666	$	50,000
Management fees paid to a company controlled by the former interim-CEO of the Company		57,502		-
Management fees paid to a company controlled by the CFO of the Company		150,000		91,500
Consulting fees paid to a company controlled by the former VP Exploration of the Company		249,960		242,990
Management fees paid to the independent directors of the Company		32,000		56,000
Share-based payments		77,740		116,166
Total	$	703,868	$	556,656

The Company incurred share-based payments of $135,200 (2023 - $179,300) of which $77,740 (2023 - $116,166) represents the fair value of stock options granted to key management personnel.

As at March 31, 2024, $nil (2023 - $25,502) is owing to related parties and is included in trade and other payables.

FOURTH QUARTER RESULTS

For the three-month period ended March 31, 2024, the Company realized a net income of $888,213 compared to a loss of $1,065,305 for the corresponding three-month period ended March 31, 2023. During the current period, the Company recognized a deferred tax recovery of $1,090,530 from its flow-through expenditures on its prior renunciation during the year.

The loss for the three-month period ended March 31, 2023 can largely be attributed to a deferred tax expenditure of $1,463,000 that was offset by a flow-through share premium of $801,300.

For the three-month period ended March 31, 2024, the Company incurred $149,498 (Q4-FY2023 - $112,792) in general and administration costs. The increased costs can be attributed to the increased activity in the Company.

Promotional and marketing costs were $8,413 and $83,338 for the three-month periods ended March 31, 2024 and 2023 respectively. The decreased costs were a result of the Company suspending all promotional and marketing activities during the three-month period ended March 31, 2024.

Management fees were $76,833 for the three-month period ended March 31, 2024 compared to $72,900 for the three-month period ended March 31, 2023. The decreased costs can be attributed to the temporary suspension of director fees.

For the three-month period ended March 31, 2024, the Company incurred $66,335 (Q4-FY2023 - $2,607,133) in exploration and evaluation expenditures. The decrease in expenditures can be attributed to the Company's decision to temporarily suspend exploration activities as raising additional capital was not feasible in the weak junior exploration markets.

PROPOSED TRANSACTIONS

There are no proposed transactions other than those previously discussed in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical judgments

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1 of the Company's March 31, 2024 audited financial statements.

Key sources of estimation uncertainty

Share-based payments
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company's financial statements include:

Title to Mineral Property Interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment of exploration and evaluation assets
The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

New standards and interpretations 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 April 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.

FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's trade and other payables approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short term nature. The Company's cash and cash equivalents is measured at amortized cost, under the fair value hierarchy based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 a 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 March 31, 2024, the Company had a cash and cash equivalents balance of $1,430,149 to settle trade and other liabilities of $169,359. Trade liabilities are due interest free on terms negotiated with each vendor. 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 $1,430,149 held at a Canadian chartered bank in deposits of which, $1,341,026 is held in cashable GICs which bear interest ranging from 2.25% to 5.20% per annum as at March 31, 2024.

The Company had no interest rate swaps or financial contracts in place as at or during the years ended March 31, 2024 and 2023.

e) Other risks

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.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: general economic and business conditions; cash flow projections; currency fluctuations; risks relating to our ability to obtain adequate financing for future activities; risks related to government regulations, including environmental regulations and other general market and industry conditions as well as those factors discussed in each management discussion and analysis, available on SEDAR+ at www.sedarplus.ca.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, the ability to attract and retain skilled staff and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Quebec Nickel Corp. can be found on the Company's website at www.quebecnickel.com or on the SEDAR+ website at www.sedarplus.ca.