

**QUEBEC NICKEL CORP.**  
**INTERIM MD&A – QUARTERLY HIGHLIGHTS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2021**

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**Background and Corporate Update**

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) for Quebec Nickel Corp. (the “Company”) is prepared as at August 16, 2021 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three months ended June 30, 2021 and in conjunction with its audited financial statements as at and for the period ended from September 18, 2020 to March 31, 2021 included in its Prospectus dated June 21, 2021.

The unaudited condensed interim financial statements for the three months ended June 30, 2021, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard (“IFRS”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”).

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.sedar.com](http://www.sedar.com).

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’.

**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.

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

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Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

**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 at their 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.

In addition, the Company spent \$32,383 for the staking of additional claims, such that the Ducros Property presently consists of 239 contiguous mineral claims covering 12,819 hectares located in the Val d'Or area of Quebec, Canada.

The Company granted Val-D'Or a 1.5% net smelter returns royalty in respect of the Ducros Property and an associated area of interest which includes the additional staked property. This royalty is in addition to royalties ranging from 0% to 1.5% on the originally acquired Ducros Property. Commencing on October 6, 2024, the Company shall pay to Val-D'Or advance minimum yearly royalty payments of \$10,000.

In the coming weeks, the Company intends to commence work on a first phase exploration program budgeted at \$375,000.

Presently, two known Ni-Cu-PGE showings (Fortin and Ducros), as well as a quartz-vein hosted gold showing are known to exist on the property, but have seen limited surface sampling and drilling. The upcoming 2021 exploration program is planned to include a property-scale heliborne magnetic and electromagnetic (Mag-EM) survey, the construction of a 3D geological model utilizing historical and modern data, and mapping, prospecting, and sampling. Additionally, mechanical stripping is planned over the Fortin showing where previous drilling in 2007 intersected 0.35 % Ni, 0.41% Cu 0.23 g/t Pt, and 0.25 g/t Pd, 0.17 g/t Au over 23.20 m (from 2.0 m to 25.20 m down-hole).

The Company expects to commence its maiden drill program on the property in the fall and winter of 2021-2022, with the initial focus on the Fortin Showing. The size and scope of the drill program will be based on the combined results from the 2020 ground electromagnetic survey (ARMIT-TDEM), and the upcoming 2021 Mag-EM survey, mechanical stripping, mapping and sampling program, and the concurrent 3D geological model.

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

Three months ended June 30, 2021

The Company reported a loss of \$40,473 and a loss per share of \$nil for the three months ended June 30, 2021. The loss was comprised of the following items:

- Filing and listing fees were \$16,297 and consisted of CSE listing fees and securities commissions filing fees.
- General and administrative expenses were \$16,653 and consisted principally of administrative fees and rent.
- Professional fees were \$7,373 and were composed of \$956 of accounting and audit fees and \$6,417 of legal fees.

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**Liquidity and Capital Resources**

As at June 30, 2021, the Company's cash position was \$1,111,346 (March 31, 2021 - \$1,083,150) and it had working capital of \$1,128,760 (March 31, 2021 - \$1,094,783).

During the three months ended June 30, 2021, sources of cash for the Company included \$75,000 of net proceeds raised through the exercise of stock options.

During the three months ended June 30, 2021, uses of cash by the Company included \$46,254 for operating activities and \$550 for expenditures on exploration and evaluation assets.

As a result of the Company being listed on the CSE and becoming more active in its exploration activities, it is anticipated that there will be significant increase in expenses associated with maintaining its stock exchange listing and with the overall management and operation of the Company.

**Related Party Transactions**

Refer to note 6 of the June 30, 2021 condensed interim financial statements.

**Directors and Officers**

David Patterson	Director and CEO
Michael Rosatelli	Director
Ming Jang	Director
Elyssia Patterson	CFO

In July 2021, Glenn Mullan, David Gower, and Daniel Shieber were appointed to the Company's Advisory Board.