

QUEBEC NICKEL CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2022

Background and Corporate Update

This Management's Discussion and Analysis ("MD&A") for Quebec Nickel Corp. (the "Company") is prepared as at August 17, 2022 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three-month period ended June 30, 2022 and in conjunction with the Company's March 31, 2022 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.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'. 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.

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 of the Company.

In addition, the Company staked additional mineral claims, such that the Ducros Property presently consists of 280 contiguous mineral claims covering 15,147 hectares located in the Val d'Or area of Quebec, Canada.

The Ducros Property is subject to net smelter returns 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 13, 2022, the Company provided an update on the inaugural multi-phase diamond drilling program at the Ducros project which had commenced in mid-February 2022. The Company announced it had now completed 16 drill holes for a total of 4,612 metres with one diamond drill. The Phase I drilling program was designed to test multiple Ni-Cu-PGE targets generated from a surface electromagnetic survey (ARMIT-TDEM) completed in 2020 by Abitibi Geophysics in addition to completing several holes designed to gain a better understanding of the local geology and to explore at depth within this portion of the greater Ducros property. These Phase I holes were successful in intersecting their intended targets, which comprised predominantly of variably conductive and magnetic intervals of sulphide +/- oxide facies iron formation hosted within mixed sequences of mafic metavolcanics, metasediments and the occasional felsic intrusive unit. The Company noted that several of the Phase I holes encountered long core intervals of ultramafic rocks, interpreted to be strongly altered pyroxenite and dunite intrusive units (sills).

The Company's Phase II drilling program began in April 2022 at the Fortin Sill Ni-Cu-PGE showing. Assay results from one of the holes drilled, improved upon the historical drill intercept in terms of both overall grade and core length (see May 16, 2022 news release for more details). Two additional holes were completed from the same set-up as QDG-22-09, namely QDG-22-10 & 11, to test for the continuity of the Ni-Cu-Co-PGE-Au mineralization on section with QDG-22-09 and GCF-08-07. The Company noted that this drilling was successful at expanding the mineralized zone at Fortin Sill on section to the southwest (see June 6, 2022 news release for more information).

Future drilling will focus on testing geophysical features along strike to the northwest and southeast of the Fortin Sill Zone. A permit to complete additional drilling at the Fortin Sill target has been received from the Québec Government that will allow for the creation of multiple new drill pads adjacent to and along the interpreted strike of the Fortin Sill Ni-Cu-Co-PGE-Au Zone. The continued drilling of this target will commence once the necessary access trails and drill pads have been cleared.

The Company has recently expanded its Val-d'Or-based Ducros Project team which will allow for the start of additional field-based work programs. Some of the planned summer field programs and new exploration data acquisition projects include the following:

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- Channel sampling of the Fortin Sill discovery outcrop:
 - Systematic channel sampling across the entire mineralized Fortin Sill stripped outcrop exposure;
- Property-wide biogeochemistry survey:
 - A Black Spruce bark sampling program, which will cover the entire >15,000 Hectare Ducros property, and will start with a tightly spaced orientation survey over the Fortin Sill Target Zone;
- High-resolution satellite imagery:
 - The collection of 50 cm resolution satellite imagery over the entire project area;
- Fixed-wing gravity survey:
 - Collection of airborne gravity gradiometer, gravity and magnetic data over the entire Ducros project area;
- High resolution UAV magnetic surveys over specific targets:
 - A high-resolution 250 line-kilometer UAV magnetic survey over the Fortin Sill target area was completed in May; the data are currently being processed. Additional detailed flight blocks will be flown over specific targets this summer to help refine final drill targets.

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 Loss | Loss per share | Total Assets | Total Current Liabilities | Working Capital |
|--------------------|---------|-----------|----------------|--------------|---------------------------|-----------------|
| June 30, 2022 | \$nil | 196,025 | 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 |
| September 30, 2021 | \$nil | 341,146 | 0.01 | 1,529,530 | 32,118 | 1,497,412 |
| June 30, 2021 | \$nil | 40,473 | 0.00 | 1,446,558 | 2,960 | 1,443,598 |
| March 31, 2021 | \$nil | 87,125 | 0.01 | 1,417,071 | 8,000 | 1,409,071 |
| December 31, 2020 | \$nil | 16,950 | 0.00 | 1,460,085 | 21,989 | 1,438,096 |
| September 30, 2020 | \$nil | 445 | 0.00 | 8,500 | - | 8,500 |

The only material variations are:

- (i) 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.
- (ii) the Company saw a significant increase in assets in the quarter ended December 31, 2021 as the Company issued an aggregate of 27,407,496 common shares for gross proceeds of \$7,700,000. The Company also recognized share-based payment costs of \$464,700 as it began securing qualified individuals to manage the business.
- (iii) the Company recognized share-based payments of \$238,000 during the quarter-ended September 30, 2021. These payments were a result of securing qualified individuals to manage the business.

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Three-months ended June 30, 2022

The Company reported a loss of \$196,025 (2021 - \$40,473) and a loss per share of \$nil (2020 - \$nil) for the three-months ended June 30, 2022. The loss was comprised of the following significant items:

- General and administrative expenses were \$60,683 (2021 - \$16,653) consisted principally of administrative fees and rent.
- Management fees were \$21,000 (2021 - \$nil) include corporate development costs of \$15,000 and director fees of \$6,000.
- Professional fees were \$40,352 (2021 - \$7,373) and were composed of \$25,352 of accounting and audit fees and \$15,000 for business advisory services. The increase in fees can be attributed to an increase in general activity in the Company.
- Promotion and marketing costs were \$32,566 (2021 - \$nil) and were composed of capital market advisory services, website design and development, corporate presentation materials, creation of promotional videos, and news release dissemination costs.
- Transfer agent and filing fees were \$11,498 (2021 - \$16,447) and consisted of monthly transfer agent, OTC listing and CSE listing fees. and a one-time application fee of \$12,744 to trade Over-The-Counter (“OTC”).
- Travel costs were \$34,857 (2021 - \$nil) were incurred in promoting the Company at various trade show and investor events.

The overall increase in expenditures for the three-month period ended June 30, 2022 compared to the corresponding three-month period ended June 30, 2021 can be attributed to the overall increased activity in marketing, investor relations and other general costs associated with an active business.

Liquidity and Capital Resources

As at June 30, 2022, the Company’s cash position was \$5,225,989 (March 31, 2022 - \$7,151,340) and it had working capital of \$5,295,221 (March 31, 2022 - \$8,734,769).

During the three-month period ended June 30, 2022, no options or warrants were exercised for common shares of the Company.

During the three-month period ended June 30, 2022, there were no options granted or warrants issued by the Company.

Related Party Transactions

Refer to note 7 of the June 30, 2022 condensed interim financial statements.

Directors and Officers

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

| | |
|------------------|-------------------|
| David Patterson | Director and CEO |
| Richard Dufresne | 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.

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On August 3, 2022, the Company's shareholders elected Ms. Christine Petch as a new Director replacing Michael Rosatelli who did not stand for re-election. Ms. Petch has over 25 years of corporate, global and project site experience in the mining industry with proven project management skills leading diverse, multi-cultural teams in challenging project environments with strong outcomes in health & safety. Currently Ms. Petch is the Deputy Project Manager for Greenstone Gold Mines, focused on the construction of the Greenstone Mine in Northwestern Ontario. For the last eight years, Ms. Petch has been providing fit-for-purpose project and risk management consulting services to the resources sector. Previously, she spent 19 years with Falconbridge/Xstrata/Glencore where she worked on multiple projects and held a variety of senior corporate roles within the business development, sustainability and strategic leadership teams. She is credited with the discovery of the Kikialik nickel deposit (Raglan) in Northern Québec.

Ms. Petch received her B.Sc. in Geology and Geophysics from McGill University and M.Sc. in Geology from Queen's University. She is a Professional Geoscientist in the Province of Ontario and a RIMS Certified Risk Management Professional.