



QUEBEC PRECIOUS METALS CORPORATION

(an exploration company)

MANAGEMENT DISCUSSION AND ANALYSIS

Three and six months periods ended July 31, 2020

(Second quarter)

MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of Quebec Precious Metals Corporation (the "Company") complies with Rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure.

The MD&A is a narrative explanation, through the eyes of the management of the Company, of how the Company performed during the three and six months periods ended July 31, 2020, and of the Company financial condition and future prospects. This discussion and analysis complements the unaudited condensed interim financial statements for the three and six months periods ended July 31, 2020 but does not form part of them.

The condensed interim financial statements do not include all the information and notes required for the purpose of audited annual financial statements. The accountings methods used are the same that those used for the purpose of audited annual financial statements for the year ended January 31, 2020, prepared in accordance with the IFRS as they are published by the International Accounting Standards Board ("IASB"). Therefore, this discussion and analysis should be read in conjunction with the unaudited condensed interim financial statements as at July 31, 2020 and notes thereto, as well as the audited financial statements and notes thereto and the MD&A for the year ended January 31, 2020.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of the Company are listed on the TSX Venture Exchange under the symbol QPM, on the OTCQB Venture Market under the symbol CJCF and on the Frankfurt Exchange under the symbol YXEN.

DATE

The MD&A was prepared on the basis of information available as at September 25, 2020.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There are many factors that could cause such differences, particularly: volatility and sensitivity to market metal prices; impact of change in foreign currency exchange rates and interest rates; imprecision in reserve estimates; environmental risks including increased regulatory burdens; unexpected geological conditions; adverse mining conditions; changes in government regulations and policies, including laws and policies; failure to obtain the necessary permits and approvals from government authorities; and other development and operating risks.

While the Company believes that the assumptions underlying in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether or not it should be revised because of new information, future events or otherwise, unless required to do so by the applicable securities laws.

MANAGEMENT DISCUSSION AND ANALYSIS

NATURE OF ACTIVITIES

Quebec Precious Metals Corporation is incorporated under the Canada Business Corporations Act. The Company is involved in the acquisition, exploration and development of mining projects. The Company is active in Canada. The Company is primarily focused on advancing its Sakami gold project, located in Eeyou Istchee James Bay territory in Quebec, near Newmont Corporation's Eleonore gold mine. The Company has no mines in production and, consequently, has no current operating income or cash flows from projects it owns, nor has it had any operating revenues for the last three years. Consequently, its activities are mainly financed through equity financing.

On June 27, 2018, the Company and Matamec Explorations Inc. ("Matamec") entered into a business combination (the "Business Combination") by way of a plan of arrangement approved by an order of the Superior Court of Canada. Pursuant to the Business Combination, the Company changed its name to Quebec Precious Metals Corporation. It also undertook a consolidation of its common shares on the basis of one post-consolidation common share for 4.16 pre-consolidation common shares.

On February 1st, 2019, the Company liquidated its subsidiary Matamec, which was a dormant company. The dissolution of Matamec took place on September 5, 2019.

HIGHLIGHTS

- Sakami project (flagship project): 32 drill holes (7,448 m) have been drilled since the beginning of the calendar year. These drill holes are part of the 25,000 m 2020 drilling program announced by the Company. The drilling results and the induced polarization geophysical survey results indicate that the gold mineralized system continues over a 2 km strike length from the La Pointe deposit and remains open for future expansion.
- Highlights for the winter 2020 drilling program were:
 - 1.14 g/t Au over 70.30 m including 1.66 g/t Au over 36.90 m
 - 3.65 g/t Au over 4.10 m
 - 1.45 g/t Au over 35.40 m
 - 1.15 g/t Au over 80.10 m including 4.63 g / t Au over 5.95 m
 - 0.60 g/t Au over 51.60 m
 - 4.15 g/t Au over 3.50 m
- Elmer East project: Start of follow-up prospecting, geological mapping and rock sampling work. The project is located along strike from the recent gold discovery made by Azimut Exploration Inc. ("Azimut") on the Patwon Prospect on its Elmer project.
- TSX Venture Exchange: Change in the Company's ticker symbol, from CJC to QPM.
- Monetization of non-core assets: UrbanGold Minerals Inc. ("UrbanGold") has acquired the Chemin Troilus project following the signing of a final agreement with the Company. Monetization process of non-core assets is ongoing.
- Since beginning of March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in a very important economic slowdown.

The Company resumed on-site activities in June 2020 and is continuing off-site activities to further the Company's objectives during this uncertain and rapidly evolving time and to follow the recommendations of Quebec Government and Health Canada/Santé Québec. 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. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding.

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The Company has put in place a rigorous protocol, in accordance with INSPQ and CNESST guidelines, to ensure the protection of all stakeholders in the region in the context of the COVID-19 pandemic. The Company's protocol has been communicated to and reviewed by the Cree Nation Government. The Company wishes to acknowledge the excellent cooperation received from the Cree authorities in support of the exploration programs during this difficult period.

OUTLOOK

- La Pointe and La Pointe Extension: The Company is carrying out a 7,000 m drilling campaign to test the La Pointe Extension and the area identified by the recent IP survey. This campaign is expected to be completed in October. Drilling results will be evaluated and the 3D geological model will be updated to dictate future drilling and in preparation for a resource estimate.
- Elmer East and Lloyd discovery: Channel sampling will be completed in the fall to better assess the exploration potential of this discovery.

MANAGEMENT DISCUSSION AND ANALYSIS

ACTIVE PROJECTS

Mining projects	Balance as at January 31, 2020 \$	Addition \$	Balance as at July 31, 2020 \$
<u>Eeyou Istchee James Bay, Quebec:</u>			
Sakami	4,409,854	-	4,409,854
<u>Eeyou Istchee James Bay, Quebec - Non-core Assets:</u>			
Cheechoo-Eleonore Trend	356,063	-	356,063
Blanche-Charles	38,040	-	38,040
New Gold	6,855	-	6,855
Elmer East	65,481	-	65,481
<u>Other Non-core Assets:</u>			
La Loutre	34,600	-	34,600
Somanike	183,129	-	183,129
Tansim	1	-	1
	5,094,023	-	5,094,023
Exploration and evaluation expenses			
<u>Eeyou Istchee James Bay, Quebec:</u>			
Sakami	5,517,820	2,111,818	7,629,638
<u>Eeyou Istchee James Bay, Quebec - Non-core Assets:</u>			
Cheechoo-Eleonore Trend	144,531	-	144,531
Blanche-Charles	90,674	-	90,674
Elmer East	240,997	618,718	859,715
<u>Other Non-core Assets:</u>			
La Loutre	128,210	4,365	132,575
Tansim	23,669	-	23,669
	6,145,901	2,734,901	8,880,802
	11,239,924	2,734,901	13,974,825

The table above is presented for informational purposes only. The Company's accounting policy is to expense Exploration and Evaluation expenditures in the statement of loss and comprehensive loss until such time as the technical feasibility and commercial viability has been established that supports the future development of the project. The above table is the accumulated expenditures made for the project since it was acquired.

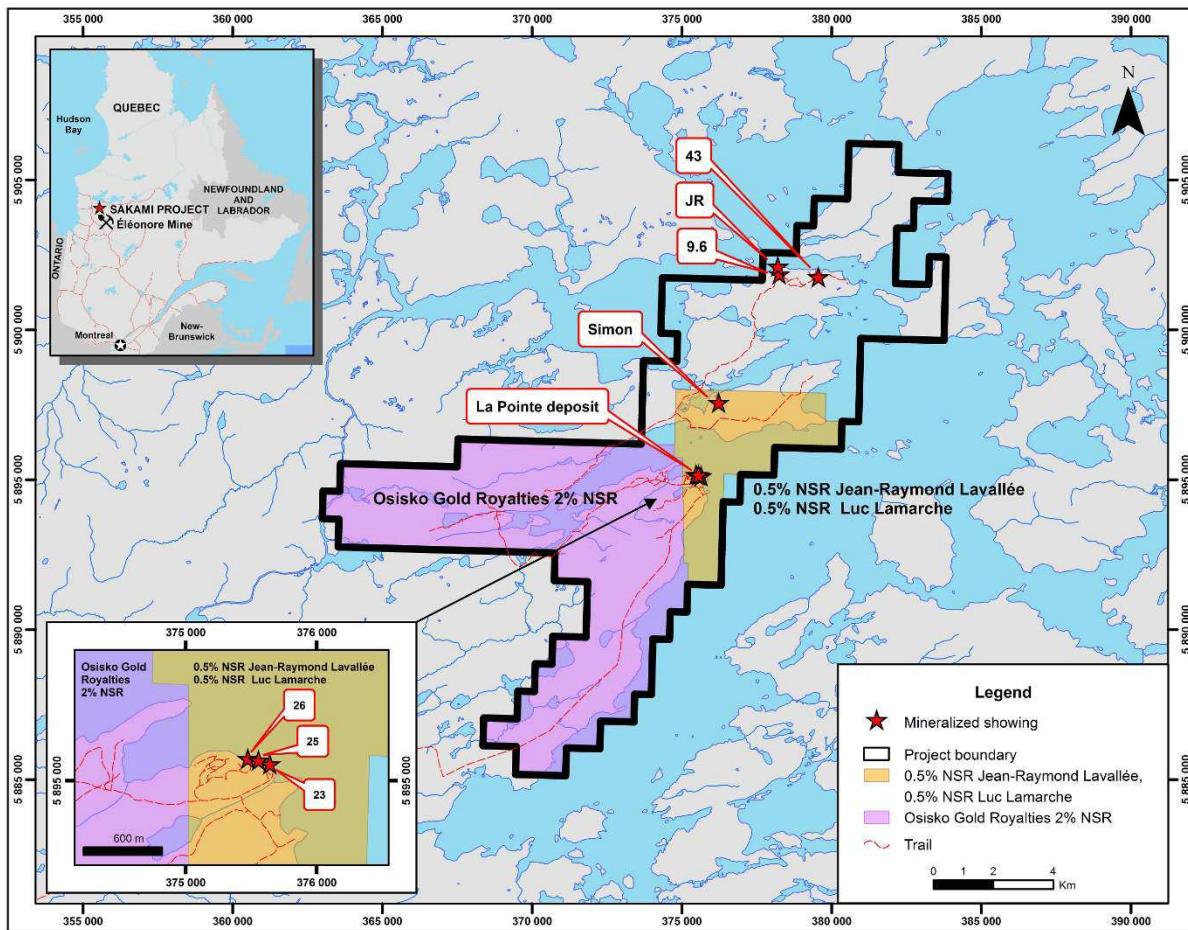
EXPLORATION PROJECTS

EEYOU ISTCHEE JAMES BAY, QUÉBEC

SAKAMI – GOLD PROJECT

Project Description

The Sakami project is wholly owned by the Company, consists of one large contiguous block of 259 mineral claims (131.13 km²) and includes the contiguous claims that were part of the project, previously known as the project Apple (currently the Apple area). The project is located 90 km northwest of the Eleonore mine (operated by Newmont Goldcorp Corporation (“Newmont”), 570 km north of Val-d’Or and 900 km northwest of Montreal. The project is subject to a Net Smelter Return (“NSR”) of 1% on certain claims and a NSR of 2% on 81 claims, half of which can be bought back for \$1,000,000 (see figure below).



Work done during the period

Exploration and evaluation expenses of \$2,111,818 were incurred on the Sakami project during the six-month period ended July 31, 2020.

La Pointe Deposit

The mineralization of the La Pointe deposit occurs in two important gold zones (zones 25 and 26) hosted in a volcano-sedimentary sequence from the Yasinski group (La Grande sub-province), which is metamorphosed to the amphibolite facies and strongly deformed by a regional event oriented WSW to

MANAGEMENT DISCUSSION AND ANALYSIS

ENE. This sequence is in contact with the sedimentary rocks from the Laguiche group (Opinaca sub-province) to the east. The lithologies are predominantly composed of: 1) biotite-rich silicified paragneiss with intrusions of granodiorite, tonalite and pegmatite, and 2) amphibolite (sedimentary iron formation and mafic volcanic rock). The gold mineralization is accompanied by pyrite, pyrrhotite, and arsenopyrite cross-cut by quartz-carbonate veinlets.

On January 21, 2019, the Company announced the results for the five holes drilled between October and December 2018 (see table below). A total of 2,028 m were drilled. The results confirmed that the known gold mineralization extends 50 m westward.

Mineralized intersections from the October-December 2018 drilling program

Hole #	From (m)	To (m)	Length (m)	Au (g/t)
PT-18-128	295.00	312.00	17.00	1.77
Including	300.00	306.00	6.00	3.13
Including	295.00	306.00	11.00	2.36
	333.00	335.00	2.00	1.38
PT-18-129	410.00	426.50	16.50	1.39
Including	410.00	441.00	31.00	0.93
Including	422.00	426.50	4.50	3.45
PT-18-130	No significant values			
PT-18-131	460.00	466.00	6.00	4.78
Including	460.00	465.00	5.00	5.50
PT-18-132	81.00	82.50	1.50	1.03
	122.00	123.00	1.00	2.41
	144.00	146.00	2.00	1.66
	155.00	156.00	1.00	3.26

Notes:

1. Intervals are presented in core length; drill holes are generally planned to intersect mineralization as close to perpendicular to strike as possible; true widths are estimated to range from 75% to 90% of the down-hole length when hole inclination and dip of the mineralized horizons are considered.
2. All gold values presented are un-capped.
3. Intercepts occur within geological confines of mineralized zones but have not been correlated to individual structures/horizons within these zones yet.

On June 5, 2019, the Company announced the results from the five drill holes (totalling 2,499 m) completed during the 2019 winter campaign (see table below). The objective of this drilling program was to test down-plunge extensions of the high-grade zones at depth, defined as >40 gram-metre drill intercepts (Au g/t x intersection length) and the existence of sub-parallel zones at shallower depths.

This drilling discovered a mineralized extension of the La Pointe deposit at approximately 600 m vertical depth in the western portion of zone 25 of the deposit. It is interpreted that a fault corridor has displaced this extension by about 200 m to the north. Hole PT-19-137 intersected a wide zone of silicified paragneiss with some pegmatite containing disseminated pyrite and arsenopyrite containing gold mineralization from 618.4 m to 747 m downhole. The new gold intercepts are between 100 m to 150 m distal from the previous deepest gold-bearing intercepts and confirm that gold mineralization remains open at depth. The DDH performed to date outlines a mineralized area with a strike length of 900 metres. The fault-displaced depth extension is located on a 2,500 m mineralized trend starting from the La Pointe deposit to the areas to the west and southwest characterized by strong soil gold and arsenic geochemical anomalies.

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Table: Results of five DDH from the La Pointe deposit. All widths are drill indicated core length. Intervals are presented in core length; DDH are generally planned to intersect mineralization as close to perpendicular to strike as possible; true widths are estimated to range from 75% to 90% of the down-hole length when DDH inclination and dip of the mineralized horizons are considered. All gold values presented are not capped.

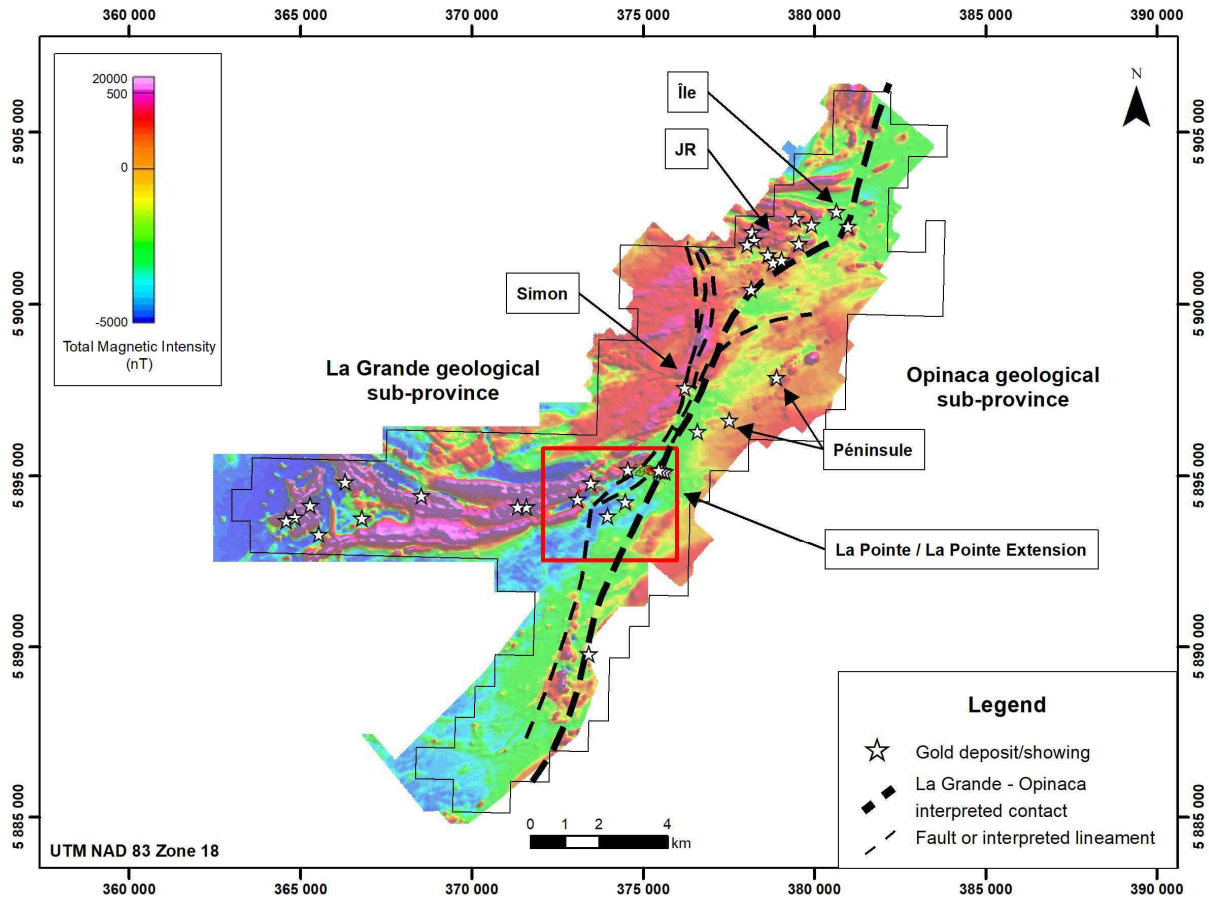
Hole ID	UTM E	UTM N	Length (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Au (g/t)
PT-19-133	375557	5894968	309	355	-70	48.25	49.00	0.75	1.78
						191.00	192.00	1.00	2.54
						264.00	265.00	1.00	1.19
						288.00	289.50	1.50	5.63
						291.00	292.50	1.50	2.54
PT-19-134 including	375279	5894944	438	358	-71	303.00	304.50	1.50	3.10
						97.00	98.00	1.00	1.28
						337.00	351.00	14.00	1.22
						337.00	344.50	7.50	1.69
						369.00	370.00	1.00	1.27
						372.50	377.00	4.50	1.32
						379.50	381.00	1.50	1.35
						418.50	420.00	1.50	1.51
PT-19-135	375254	5894888	465	358	-70	424.70	426.00	1.30	2.46
						429.00	430.50	1.50	3.19
PT-19-136	374801	5895027	540	0	56.5	390.50	399.50	9.00	0.83
						427.50	429.00	1.50	1.44
PT-19-137	374736	5894960	747	360	-65	No significant values			
						628.00	630.35	2.35	6.92
						662.80	663.30	0.50	1.91
						675.40	676.00	0.60	3.49
						689.30	691.00	1.70	0.41
						713.00	714.00	1.00	1.52

On October 22 2019, the Company announced the results of the helicopter-borne magnetic and radiometric survey (1,400 line-km), induced polarization survey ("IP", 15.6 line-km) and prospecting and sampling program for rock (175 grab samples) and soil (675 samples) conducted during the summer on the Sakami project. These results improved the definition of known targets and identified several new drill targets, including in particular targets representing the extension of the La Pointe deposit (called La Pointe Extension). The targets are characterized as follows:

- located along a 13-km mineralized trend oriented SSW-NNE that includes the Apple, Peninsula, Simon, JR and Île showings (with gold mineralization detected in grab samples, drill holes and trenches) and the La Pointe deposit (see figure below);
- located up to 1,500 m from the favourable contact between the Opinaca and La Grande geological subprovinces;
- shows a spatial correlation with a major magnetic discontinuity along the mineralized axis and sometimes with E-W striking magnetic structures;
- closely associated with iron formations, which are discontinuous and apparently folded; and
- spatially correlated with the IP anomalies and gold and arsenic soil geochemical anomalies.

One of the program highlights was the definition of a top priority drill target for the La Pointe Extension. A gold showing discovered in 2000 returned 23.82 g/t Au and 4.73 g/t Au in grab samples. Two other grab samples returned 9.52 g/t Au and 6.37 g/t Au.

MANAGEMENT DISCUSSION AND ANALYSIS

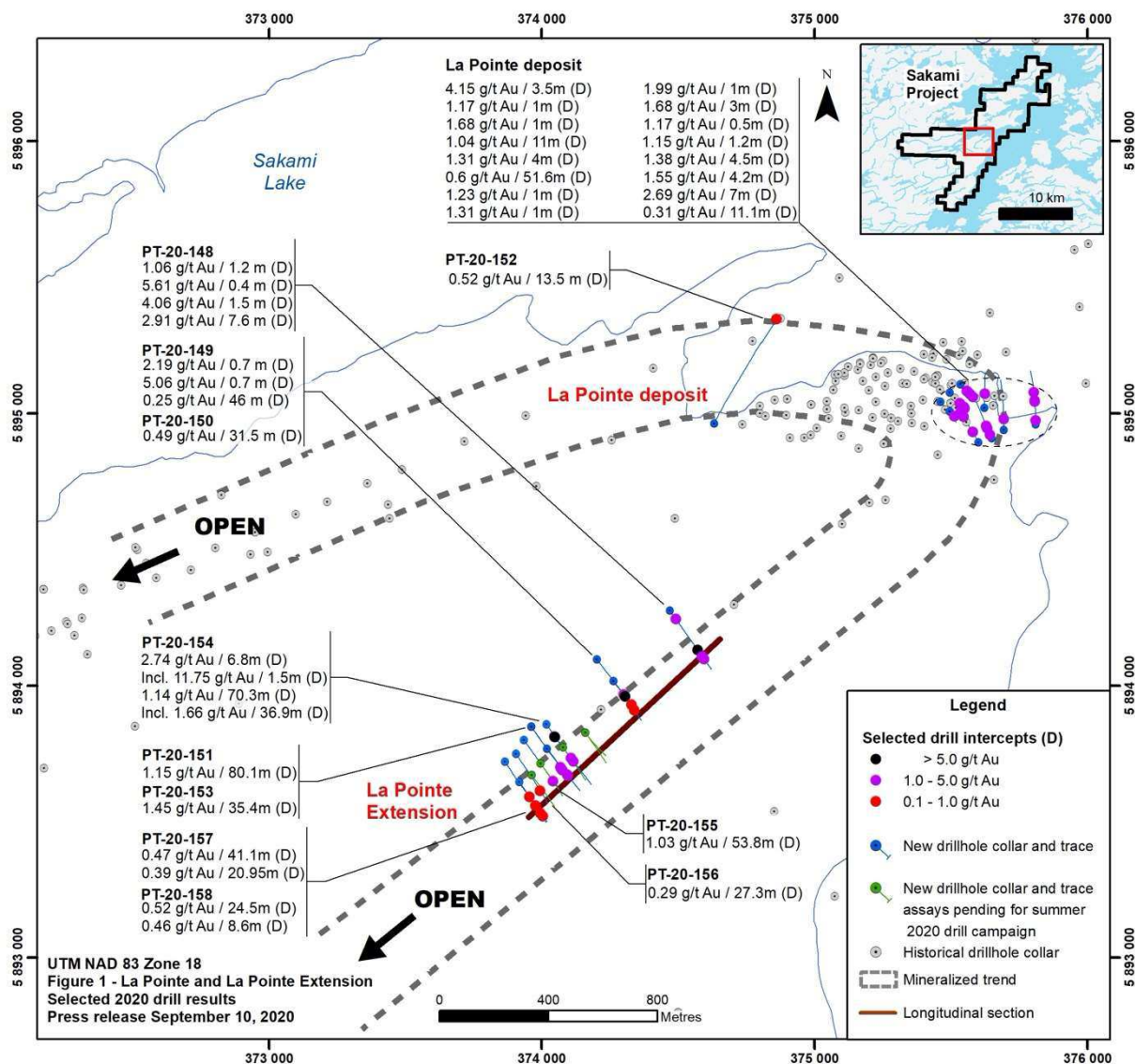


In January 2020, the Company announced plans to drill 25,000 m on the Sakami project, with the goal of 1) confirming the extension of the La Pointe deposit and the new high-grade Simon discovery (see description below); and 2) testing additional new targets along the 13 km SSW-NNE mineralized trend that includes the Apple, Peninsula, JR and Île areas (with gold mineralization detected in drill holes, grab samples and trenches). A total of 21 holes (7,448 m) were drilled in the winter of 2020.

On April 21, 2020, the Company announced the discovery of La Pointe Extension following the winter program. On June 18, July 22 and September 10, 2020, the Company reported additional assays from the winter drilling program (see figure below). The results indicate continuity of the gold mineralized system and significant exploration potential southwest of the La Pointe deposit. The new results were from holes drilled 2 km from the current deposit, which remains open for future expansion. The drill results from the winter drilling campaign include:

- PT-20-139: 4.15 g/t Au over 3.5 m
- PT-20-141: 1.04 g/t Au over 11.0 m
- PT-20-145: 2.14 g/t Au over 6.5 m
- PT-20-147: 2.79 g/t Au over 7.0 m
- PT-20-148: 2.91 g/t Au over 7.6 m
- PT-20-151: 1.15 g/t Au over 80.1 m incl. 2.21 g/t Au over 25 m
- PT-20-152: 0.52 g/t Au over 13.5 m
- PT-20-153: 1.45 g/t Au over 35.5 m incl. 4.1 g/t Au over 3.65 m
- PT-20-154: 6.80 g/t Au over 2.74 m incl. 11.75 g/t Au sur 1.5 m
- PT-20-155: 1.03 g/t Au over 53.80 m

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A 7,000-m drilling program is currently underway to test the extension of the new discovery and the new zone identified by the recent IP survey.

Apple area

The project covers a portion of the Apple geological formation, which came to light in the early 1970s with the discovery of several extensive uranium-bearing pyrite matrix in quartz pebble conglomerate zones. Between 1998 and 2001, the project was explored by Virginia Gold Mines (now Osisko Gold Royalties Ltd.), to evaluate the gold potential. Significant showings were discovered; however, no drilling was done. These showings include the Buck showing discovered in 1998, located in an iron formation that reported up to 20.15 g/t and 2.59 g/t Au over 3.5 m in channel sampling. Another showing discovered in contact with volcanic rocks and a pegmatite was discovered in 2000 and reported respectively 23.82 g/t Au and 4.73 g/t Au in grab samples. Several ultramafic horizons have revealed anomalous values in platinum group elements during work carried out in 2000. The best results are 0.491 g/t Pt and 0.23 g/t Pd. The presence of albitized pegmatite with a quartzose core is also notable, with a halo of intense, pervasive tourmalinization, prismatic beryl crystals and proximity to ultramafic rocks with chromite mineralization (chromiferous actinolite is present in the skarned ultramafic rocks), which constitute the elements required to form emeralds.

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Re-assay results for recovered samples of historical and untested drill core. The core samples are from 9 drill holes drilled in 2008 by a company that operated the project previously. A total of 51 samples from hole AP-08-12 were re-assayed. Assaying for high-grade nickel mineralization returned 1.28% Ni and 0.26% Cu over 2.55 m (see Table below). This high-grade intersection and other high nickel values are found in mafic volcanic rocks containing disseminated pyrite and pyrrhotite. These rocks are part of a sequence of quartz feldspar gneiss, quartz arenite, paragneiss and iron formation.

Table – New re-assay results for historical drill hole AP-08-12

Hole #	UTM E	UTM N	Length (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Au (g/t)	Cu %	Ni %
AP-08-12	373098	5894629	201	147	-50	86.05	105.00	18.95	0.04	0.05	0.62
including						86.05	93.20	7.15	0.07	0.03	0.88
including						86.05	100.00	13.95	0.04	0.07	0.70
including						87.30	90.30	3.00	0.10	0.04	1.14
including						97.45	100.00	2.55	0.03	0.26	1.28

Hole #	From (m)	To (m)	Lithology
AP-08-12	86.05	87.30	Iron formation
	87.30	93.20	Paragneiss, Py-Po-As
	93.20	97.45	Quartz arenite
	97.45	100.00	Mafic volcanic rock, Py-Po
	100.00	105.00	Quartz feldspar gneiss

The Company will continue to relog the core to strategically identify the best core in which to perform additional assays in 2020.

Simon-JR area

The mineralization consists of disseminated to semi-massive pyrite, pyrrhotite and arsenopyrite hosted in a volcano-sedimentary sequence of the Yasinski Group (La Grande subprovince), in contact with the sedimentary rocks of the Laguiche Group (Opinaca subprovince) to the east. The gold mineralization is associated with strongly deformed iron formations hosted in a volcano-sedimentary sequence in the vicinity of a tonalitic intrusive.

On March 26 and April 23, 2019, the Company announced the results for 11 reconnaissance holes drilled in the Simon-JR sector, located 3 to 8 km northeast of the La Pointe deposit. Ten of the 11 holes intersected gold mineralization, with best results as follows:

Simon showing

- SI19-02 - 14.20 g/t Au over 2.0 m in a 15.25 m intersection grading 2.34 g/t Au;
- SI19-03 - 5.05 g/t Au over 5.06 m; and
- SI19-04 - 4.66 g/t Au over 3.5 m.

JR showing

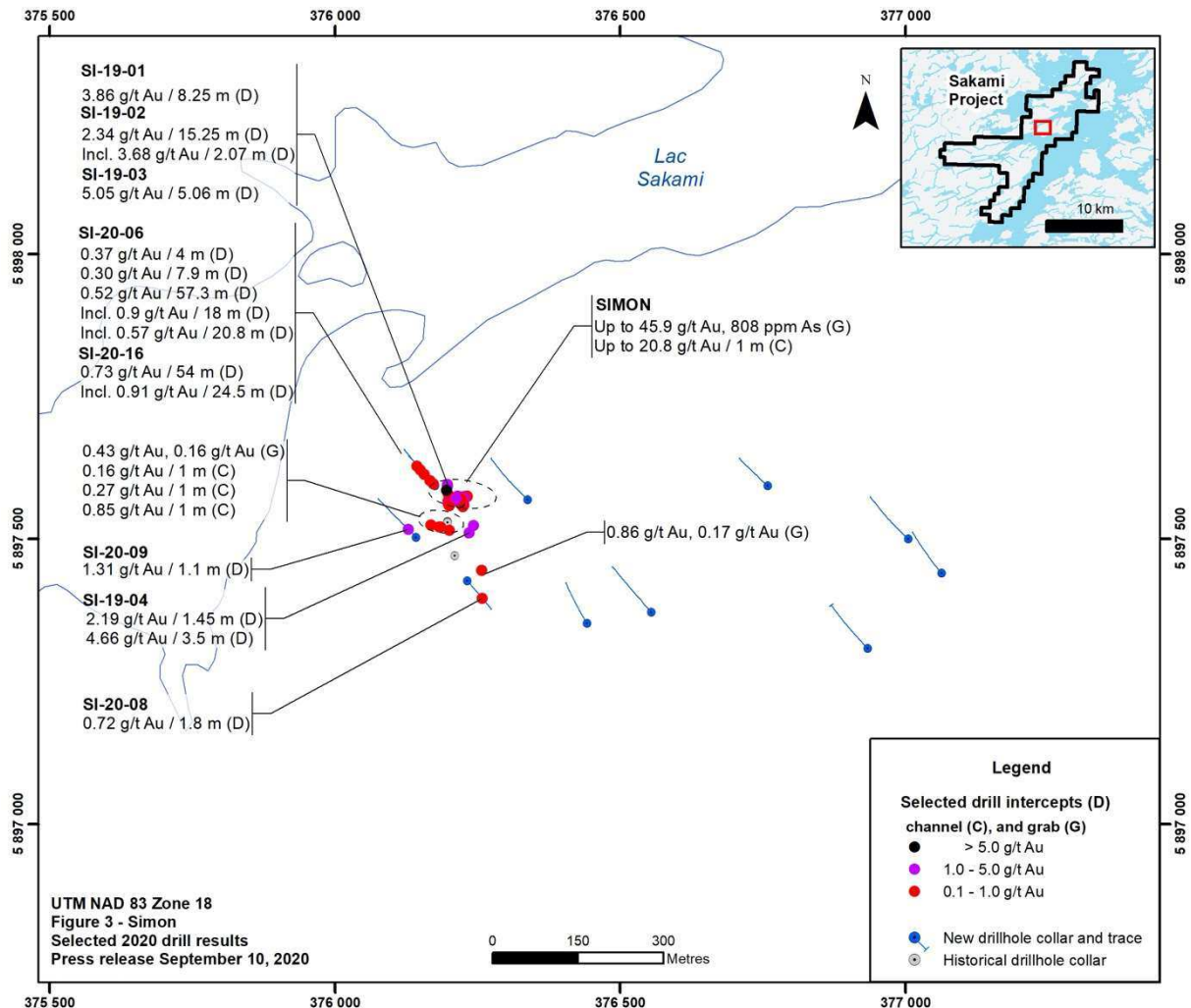
- JR-19-04 – 1.27 g/t Au over 15.0 m.

The recently received results from the 2020 winter exploration program include (see figure below):

- SI-20-06: 0.90 g/t Au over 18.0 m
- SI-20-08: 0.72 g/t Au over 1.80 m
- SI-20-09: 1.31 g/t Au over 1.10 m
- SI-20-16: 0.91 g/t Au over 24.5 m

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The results indicate the presence of high-grade zones, but their continuity still needs to be established. The drill results will be assessed to identify additional drill targets.



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CHEECHOO-ÉLÉONORE TREND – GOLD PROJECT

Project description

The Cheechoo-Éléonore Trend project is wholly-owned by the Company and consists of 551 claims (285.70 km²). The project is located in the extension of the axis connecting the gold discoveries on the Sakami project, Newmont's Éléonore gold mine and the Cheechoo gold discovery belonging to Sirios Resources Inc. ("Sirios"). The northwestern part of the project is adjacent to the Sakami project, approximately 24 km northwest of the Éléonore mine. Given the same high degree of metamorphism and similar gold-arsenical paragenesis, the Company considers the project's geological setting to be comparable to that of the Sakami and Cheechoo discoveries and the Éléonore mine.

On April 25, 2018, the Company entered into an asset purchase agreement to acquire 100% of the Cheechoo-Éléonore Trend gold project owned 50%-50% by Sphinx Resources Ltd. ("Sphinx") and Sirios. The project was acquired on June 27, 2018, through the issuance of 600,000 common shares (post-consolidation).

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A soil geochemistry survey (952 samples) and a prospecting program (121 grab samples) were conducted in late summer 2019. Anomalous gold values were detected in several soil samples from the northwestern part of the project. Future field work is being planned as part of the 2020 program of work on the Sakami project.

Work done during the period

No exploration work was carried out by the Company on the project during the period.

ELMER EAST – GOLD PROJECT

Project Description

The Elmer East project (929 claims, 488.42 km²) is 100% owned by the Company. The project is located in the extension of the recent gold discovery made by Azimut on the Patwon Prospect on its Elmer project. The Elmer East project was acquired, by map designation, and includes the adjacent Annabelle and Opinaca Gold West blocks. The western part of the Elmer East Project is contiguous with Azimut's project.

Azimut recently announced significant gold-bearing drill intersections on the Patwon Prospect, of 3.15 g/t Au over 102.0 m, including 10.1 g/t Au over 20.5 metres. The western portion of the Elmer East project located closest to the Patwon discovery shows a favourable geological setting for gold mineralization.

The claims cover prospective east-west striking volcano-sedimentary rock sequences and intrusions belonging to the Opinaca subprovince. Gold and arsenic geochemical anomalies have been identified on the Opinaca Gold West block. Follow-up prospecting was carried out in the fall of 2019 (155 grab samples) but no significant results have been obtained from the prospected areas. However, several exploration targets remain to be tested in 2020, both on the Annabelle and Opinaca Gold West blocks and on the claims recently staked by the Company.

Work done during the period

A magnetic helicopter-borne survey was conducted across the entire project in the winter of 2020, along with a geological compilation and targeting study. The results were used to design a follow-up program of prospecting, geological mapping and rock sampling work, which began in July 2020. On September 16, 2020, the Company reported several high-grade grab sampling results from the summer 2020 surface sampling program that confirmed a new gold mineralized system (see photo below).

The Lloyd showing outcrops over a 60-m stretch near the Eastmain River and remains open in all directions. A quartz vein 1 to 2 m wide with galena, sphalerite and chalcopryrite was discovered while prospecting high-priority targets generated previously by Goldspot Discoveries Corp. Another anomalous quartz vein, grading 0.33 g/t Au, was also sampled 400 m east of the initial discovery, along the same interpreted regional fault, demonstrating the continuity of the new gold and base metal system. Next steps will include additional follow-up prospecting and channel sampling of the rock in the area.



Exploration and evaluation expenses of \$618,718 were incurred on the project during the six-month period ended July 31, 2020.

BLANCHE AND CHARLES – GOLD-COPPER PROJECTS

Project description

The Blanche project is wholly owned by the Company and consists of 256 claims (130.92 km²). The project lies approximately 150 km northwest of the Eleonore mine. It is accessible east on the Trans-Taïga Road (230 km). The Charles project, also wholly owned by the Company, consists of 61 claims (31.15 km²). It is located approximately 120 km northeast of the Éléonore mine approximately 15 km east of the Blanche project along the Trans-Taïga Road. The projects overlie volcano-sedimentary rocks of the La Grande Subprovince.

In a press release dated April 30, 2019, the Company highlighted the strong copper-gold potential of these projects. Both projects are adjacent to the Mythril high-grade copper-gold-molybdenum-silver discovery of Midland Exploration Inc. ("Midland"). The samples on the Mythril discovery are selected samples and the grades obtained are not necessarily representative of the mineralization hosted on the project. BHP Billiton Canada Inc. recently invested \$5.9 million in Midland to finance drilling on the Mythril discovery.

On the Blanche project, the Company carried out prospecting and grab sampling in 2017. A total of 221 samples were collected systematically along lines spaced 400 m apart. The highest sample values were 0.31%, 0.29%, 0.10% and 0.10% for copper and 0.20 g/t, 0.19 g/t and 0.13 g/t for gold. The averages are 0.02% for copper and 0.01 g/t for gold. The samples are selected samples, and the grades obtained are not necessarily representative of the mineralization hosted on the project.

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The Charles project has a similar geological setting. It consists of a NE-striking horizon of amphibolitized basalt interbedded with banded iron formations and biotite-garnet paragneiss bands. Ultramafic rocks have been observed. Linear magnetic highs have been identified in the SE portion of the project and show a spatial correlation with the iron formations.

The first field reconnaissance work was carried out on the Charles project in the fall of 2019 (124 selected samples) in order to further validate the copper-gold potential. No significant results were obtained, but the work only covered around 40% of the project. Additional reconnaissance work is planned for the summer of 2020. The results obtained will allow us to better evaluate the exploration potential with the aim of inviting other parties to form partnerships or acquire these two projects.

Work done during the period

No exploration work was carried out by the Company on the project during the period.

NEW GOLD – GOLD PROJECT

Project Description

The New Gold project consists of 49 mineral claims (25.90 km²), 100% owned by the Company. It is located about 5 km northwest of the 167-Extension project, where Visible Gold Mines Inc. in 2014 discovered several erratic boulders containing gold, silver, copper and zinc mineralization.

The project was acquired by map designation following a compilation of all the information available from the MENR and an assessment of the erratic boulder dispersal train aimed at identifying the potential in-situ source of the boulders identified by Visible Gold Mines Inc. The project covers a strong SW-NE magnetic anomaly crossed by a NW-SE major structure. The junction of these two structures is located right in the middle of the project. A work program will be prepared in the near future.

Work done during the period

No exploration work was carried out by the Company on the project during the period.

CHEMIN TROÏLUS – GOLD PROJECT

Project Description

The Chemin Troilus project consists of 61 mineral claims (33.15 km²). The project is located 25 km southwest of the former Troilus gold and copper mine and approximately 110 km north-northwest of Chibougamau with good road access. The project is located at the southwestern end of a northeastern-trending gold-copper corridor at the northern edge of the Frotet-Troilus greenstone belt. This corridor includes the Troilus mine, which was operated by Inmet Mining Corporation from 1997 to 2010 and produced over 2 million ounces of gold and 70,000 tonnes of copper. Prospecting work identified mineralized boulders in a northeast-striking 220 m by 45 m area within the corridor. The mineralized boulders, however, have not been explained by the preliminary drilling program and their source in the bedrock remains a priority for future exploration. In combination with the drilling, the results of till sampling programs confirm the area's prospectivity. Further work will be needed to identify the source of the blocks.

On April 25, 2018, the Company entered into an asset purchase agreement to acquire 100% of the project owned by Sphinx. The project was acquired on June 27, 2018, through the issuance of 369,000 common shares (post-consolidation).

On May 21, 2020, UrbanGold acquired the project following the signature of a final agreement with the Company, pursuant to which UrbanGold issued 800,000 common shares, made a lump sum cash payment of \$100,000 and assumed responsibility for the pre-existing 2% NSR royalty.

MANAGEMENT DISCUSSION AND ANALYSIS

Work done during the period

No exploration work was carried out by the Company on the project during the period.

OTHER NON-CORE ASSETS

LAC-DES-ÎLES WEST – GRAPHITE PROJECT

Project Description

The Lac-des-Îles West project consists of one large contiguous block of 23 mineral claims (9.88 km²) that borders on the western edge of the Timcal Lac-des-Îles graphite mine, close to the town of Mont-Laurier, 183 km northwest of Montréal in southern Québec.

On April 16, 2020, the Company and Lomiko Metals Inc. ("Lomiko") agreed on the terms of an amendment on the option agreement on the Lac-des-Îles and La Loutre projects allowing Lomiko to acquire up to 100% interest in both projects. Lomiko must also pay the Company an additional amount of \$1,125,000 and issue an additional 950,000 common shares to the Company (total for both projects) for a period commencing on the deemed exercise date of the Additional Option signed on February 6, 2015 and ending on December 31, 2021.

At July 31, 2020, the Company owned a 20% interest in the project.

Work done during the period

No exploration work was carried out by the Company on the project during the period.

LA LOUTRE – GRAPHITE PROJECT

Project description

The La Loutre project consists of one contiguous block of 48 mineral claims (28.67 km²) located approximately 53 km east of the Lac-des-Îles graphite mine (operated by Imerys), 120 km north of Montreal.

On April 16, 2020, the Company and Lomiko Metals Inc. ("Lomiko") agreed on the terms of an amendment on the option agreement on the Lac-des-Îles and La Loutre projects allowing Lomiko to acquire up to 100% interest in both projects. Lomiko must also pay the Company an additional amount of \$1,125,000 and issue 1,000,000 common shares to the Company (total for both projects) for a period commencing on the deemed exercise date of the Additional Option signed on February 6, 2015 and ending on December 31, 2021.

Grab samples taken on the project returned up to 22.04% carbon flake graphite, and carbon purity test results returned up to 100.00% carbon purity in the large and extra-large flake graphite. The results of grab sampling and mapping on the project has confirmed a graphite-bearing structure covering an area of approximately 7 km by 1 km in multiple parallel zones 30 metres to 50 metres wide. Another area has also been identified covering an area of approximately 2 km by 1 km in multiple parallel zones of 20 metres to 50 metres wide, which includes results of up to 18% graphite. Grab samples are selective by nature and are unlikely to represent the average grade of a deposit.

On March 24, 2016, the Company filed an independent technical report entitled "Technical Report and Mineral Resource Estimate for the Loutre Property" on Sedar (www.sedar.com). The report was prepared by B. Turcotte and G. Servelle of InnovExplo Inc. of Val-d'Or, Quebec, and O. Peters of AGP Mining. Inc. in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. The mineral resource as estimated by InnovExplo Inc. is shown in the table below.

MANAGEMENT DISCUSSION AND ANALYSIS

Indicated Resource				
Zone	Cut-off Cg (%)	Tonnage (metric tonne)	Grade Cg (%)	Graphite (metric tonne)
All Zones	> 3.0	4,137,300	6.50	268,800
	> 2.5	6,927,500	4.95	342,900
	> 2.0	15,181,200	3.49	529,200
	> 1.5	18,438,700	3.19	588,400
	> 1.0	19,005,400	3.13	595,700
	> 0.8	19,137,500	3.12	596,900
	> 0.6	19,279,600	3.09	595,300
	> 0.5	19,381,900	3.09	598,400

Inferred Resource				
Zone	Cut-off Cg (%)	Tonnage (metric tonne)	Grade Cg (%)	Graphite (metric tonne)
All Zones	> 3.0	6,181,000	6.11	377,600
	> 2.5	9,699,200	4.86	471,800
	> 2.0	15,332,000	3.92	600,300
	> 1.5	16,675,100	3.75	624,900
	> 1.0	16,927,300	3.71	628,000
	> 0.8	17,120,500	3.68	629,700
	> 0.6	17,306,700	3.63	628,100
	> 0.5	17,400,900	3.63	631,600

A 1,550 m drilling program carried out on the Refractory zone in 2017 intercepted multiple zones with graphite mineralization. On April 24, May 6 and July 9, 2019, the Company and its partner Lomiko announced the results of diamond exploration drill holes from a drilling program on the Refractory Zone consisting of 21 holes for a total of 2,985 metres. The results obtained to date are very encouraging.

At July 31, 2020, the Company owned a 20% interest in the project.

Work done during the period

Exploration and evaluation expenses totalled \$4,365 was incurred during the period ended July 31, 2020 and will be assumed by Lomiko following the signature of the option agreements.

SOMANIKE – NICKEL PROJECT

Project Description

The Somanike project consists of 107 mineral claims (50.20 km²) and is wholly owned by the Company. It lies approximately 25 km northwest of the town of Malartic, in the Abitibi region. The project was named as part of the signing of a cooperation agreement with the Abitibiwiinni First Nation, based in Pikogan, Quebec. It is more than 14 km long and consists of Archean volcanic rocks (the Malartic and Louvicourt groups) and sedimentary rocks of the Kewagama Group. Sphinx has been conducting exploration work to develop the project's nickel and gold potential since 2014. The project area includes the former Marbridge underground nickel-copper mine, which produced 774,227 tonnes grading 2.28% nickel and 0.1% copper between 1962 and 1968, with four deposits discovered by surface prospecting and drilling between 1957 and 1966. Marbridge is the only nickel mine in the Abitibi region to date and is the first nickel sulphide deposit in Quebec associated with komatiitic volcanic rocks.

On April 25, 2018, the Company signed an asset purchase agreement to acquire 100% of the project owned by Sphinx. The project was acquired on June 27, 2018, through the issuance of 531,000 common shares (post-consolidation).

The Company entered into an option agreement with Vanicom Resources Limited ("Vanicom") on the Somanike project. The agreement provides that Vanicom may acquire 100% interest in the project in consideration of a total of \$25,000 in cash payments at the signature of the Agreement (payment made). Vanicom is also required to pay \$125,000 in common shares of Vanicom, pay \$75,000 in cash and incur \$600,000 in exploration expenditures, including 750 m of drilling, no later than December 31, 2021, subject to an agreement with Globex Mining Enterprises Inc. Class 1 Nickel and Technologies Inc. ("Class 1") has an option to acquire a 100% interest in the rights held by Vanicom. Vanicom carried out surface geophysical work on the project in the fall of 2019. Class 1 exercised its option and paid the Company \$125,000 in common shares (207 692 shares). The \$75,000 cash payment is still pending.

MANAGEMENT DISCUSSION AND ANALYSIS

Work done during the period

No exploration work was carried out by the Company on the project during the period.

KIPAWA-ZEUS PROJECT - RARE EARTHS PROJECT

Project description

The Company has a 68% interest in the Kipawa project, through the Kipawa Rare Earth Joint Venture ("SCCK"). Investissement Quebec holds the remaining 32% interest. The project is part of the 73 claims (43.03 km²) of the Kipawa-Zeus project. Claims that are not part of the Kipawa project are wholly owned by the Company. The project is located in the Témiscamingue region of Quebec, 140 km south of Rouyn-Noranda and 90 km northeast of North Bay, Ontario.

The project is located in the Grenville geological province, about 55 km south of the contact with the Superior geological Province. The lithologies consist mainly of gneiss with a degree of metamorphism ranging from the green shale facies to the amphibolite-granulite facies. Twelve heavy rare earth showings have been identified, some of which contain niobium and tantalum. The Kipawa deposit is defined by three enriched horizons within the syenite of the Kipawa alkaline complex. This syenite contains light rare earth oxides but mainly heavy rare earth oxides. Drilling since 2011, totalling 293 drill holes (24,571 m), has been used as the basis for a feasibility study (prepared by Roche Ltd. and GENIVAR Inc., with the support of SGS Geostat and Golder Associates Ltd.) The study showed a 15-year production schedule, excluding a two-year pre-production period to strip the overburden to allow open-pit mining and the construction of a processing plant and associated infrastructure. The mine life could potentially be increased by the discovery of additional resources.

On September 18, 2014, Matamec and Toyotsu Rare Earth Canada Inc. ("TRECAn") signed a termination agreement for the Kipawa project. Following the signature of the agreement, Matamec paid TRECAn \$280,000 and TRECAn converted its undivided 49% interest in the project to a 10% net profits interest.

On September 24, 2017, SCCK decided to stop the development activities at the Kipawa project and subsequently its research activities with various academic partners and government agencies. The project was acquired on June 27, 2018, following the business combination by way of arrangement and approved an order of the Superior Court of Canada with Matamec. The Company intends to interest one or more third parties in joining the project.

Work done during the period

No exploration work was carried out by the Company on the project during the period.

TANSIM – LITHIUM PROJECT

Project Description

The Tansim project consists of 65 claims (37.66 km²) in the Témiscamingue RCM. The Company owns a 50% interest in the project. The Tansim project is part of the Pontiac geological Subprovince, located south of the Abitibi geological Subprovince, part of the Archean Superior province. The lithologies consist of a group of Late Archean metasedimentary-metavolcanic-granitoid-gneissic rocks.

On January 18, 2018, Matamec announced that it had granted an option on 65 claims to Sayona Québec Inc. ("Sayona"), a wholly owned subsidiary of Australia-based Sayona Mining Corp. ("Sayona Mining"). Under this option Sayona may acquire 50% of the 65 claims by paying a total of \$103,587 for the claim renewal fees, or \$63,587 (amount paid) by carrying out exploration work before January 31, 2018 on 50 claims and paying the renewal fees for the remaining claims. In addition, Sayona was required to spend \$200,000 on exploration work (condition fulfilled) and pay the Company \$100,000 (amount paid). The agreement was amended by the parties on November 13, 2018, to extend the deadline to complete the

MANAGEMENT DISCUSSION AND ANALYSIS

work and make the \$100,000 payment from January 31, 2019 (condition fulfilled), to April 19, 2019 (amount paid).

If Sayona wishes to earn an additional 50% interest to hold 100% of the project, it must spend \$350,000 (condition fulfilled) on exploration work and pay the Company \$250,000. On December 22, 2019, the agreement was extended to December 31, 2020, to defer the payment of the \$250,000 owed to the Company in return for a \$25,000 cash payment (amount paid). The Company will also receive a 2% NSR on the production of minerals mined on the project.

The project was acquired on June 27, 2018, as part of the business combination with Matamec by way of the plan of arrangement approved by an order of Superior Court of Québec.

Sayona announced in August 2018, that current exploration program at Tansim is aimed at defining drilling targets at the Viau-Dallaire and Viau prospects. Viau-Dallaire is a pegmatite dyke measuring 300 m long and between 12 and 20 m thick. At the second prospect, Viau, pegmatites have been mapped over an area up to 200 m long and 30 m wide. A recent airborne geophysical survey has confirmed a strong east-west magnetic anomaly that corresponds with historical surface mapping of pegmatites over an area measuring 9 km long and up to 700 m wide. In addition, the host intermediate/mafic magnetic rocks confirmed by the survey are intruded by sub-parallel lithium, beryllium and tantalum-bearing, granitic pegmatite dykes.

On April 9, 2019, Sayona Mining announced the results of an initial drilling program on the project. Highlights were as follows:

- Two east-west striking subparallel pegmatite dykes with coarse-grained spodumene mineralization were intersected over a length of 350 metres;
- Drill results show mineralization in both dykes, including 12.35 m @ 1.29% Li₂O near surface in the first subsurface dyke, and 43.7 m @ 0.82% Li₂O, including 16.1 m @ 1.26% Li₂O, in the second, deeper dyke; and
- The drilling program demonstrates that the pegmatite system is open in all directions, with potential for the discovery of other subparallel pegmatite dykes.

On November 20, 2019, Sayona Mining announced that based on recent drilling, the Viau-Dallaire exploration target on the project is thought to be between 5 million and 25 million tonnes grading an estimated 1.2-1.3% Li₂O. The mineralization is open in all directions. Note that Sayona Mining cautions that the potential quantity and content of the exploration target are conceptual in nature and are therefore approximations; there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration could result in the determination of a mineral resource.

Work done during the period

Sayona plans to pursue project development by carrying out additional work.

VULCAIN – COPPER-ZINC PROJECT

Project description

The Vulcain project consists of 68 claims (40.05 km²) located in Haute-Gatineau. It is accessible by provincial paved highway 117 and by a 45 km gravel road linking the project at the Lac Arthur exit. The project is wholly-owned by the Company. A deposit located on the project beneath Renzy Lake was mined from 1969 to 1972, known as the Renzy Mine, with approximately 718,000 tonnes grading 0.7% Ni and 0.7% Cu. Quebec's Ministère de l'Énergie et des Ressources Naturelles have carry out rehabilitation work during the fall 2019 on the area of the old mining operation. The deposit and nickel-copper showings on the project are all hosted by ultramafic sills. These sills, which vary in width from 10 to 300 m and are up to 3 km long, intersect paragneisses of the Grenville geological province supergroup.

MANAGEMENT DISCUSSION AND ANALYSIS

The project was acquired on June 27, 2018, as part of the combination with Matamec by way of the plan of arrangement approved by an order of Superior Court of Québec. The Company plans to sell its interest in the project or identify a partner to pursue exploration.

Work done during the period

No exploration work was carried out on the Vulcain project by the Company during the period.

ONTARIO PROJECT

MATHESON – GOLD PROJECT

Project description

The Company holds a 50% interest in four non-contiguous blocks totalling 41 single-cell mining claims, four patented claims (surface and mining rights) and three leases (surface and mining rights) totalling 12.77 km² from the Matheson Joint Venture project ("Matheson Project"), located 24 km from downtown Timmins, Ontario. International Explorers and Prospectors Inc. ("IEP") holds the other 50%.

The Matheson Project covers prospective lithologies and structures similar to the geological context of the nearby Hoyle Pond gold mine, operated by Newmont Goldcorp Corporation. The Hoyle Pond mine produced 4 million ounces of gold at an average grade of 12 g/t gold from 1985 to 2018, making it one of the highest grade deposits in the Timmins camp. The presence of mineralization on properties adjacent to or in proximity to the Matheson Project is not necessarily indicative that mineralization may be present on the Matheson Project. Previous exploration programs identified a number of exploration targets but they have not been systematically tested by drilling.

The project was acquired on June 27, 2018, as part of the business combination with Matamec by way of the plan of arrangement approved by an order of Superior Court of Québec.

The Company has filed a National Instrument 43-101 technical report dated September 5, 2019 (the "Technical Report") for the Matheson Project. The Technical Report was prepared by Paul Chamois, geologist, of RPA Inc., an independent qualified person as defined by NI 43-101. IEP and the Company plans to sell their respective interest in the project or identify a partner to continue exploring the projects.

Work done during the period

No exploration work was carried out on the Matheson project by the Company during the period.

Persons in charge of technical disclosure

Normand Champigny, Eng., Chief Executive Officer, and Tony Brisson, Geol., Senior Exploration Manager of the Company, both qualified persons under *NI 43-101 on standards of disclosure for mineral projects*, have prepared and approved the technical content of this MD&A for the projects.

RESULTS OF OPERATIONS

The Company anticipates that, for the foreseeable future, quarterly results of operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Company's projects. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of operating results are not a good indication of its future performance.

The comments below provide an analysis of the operating results for the six-month fiscal period ended July 31, 2020. The selected financial information shown below is taken from the condensed unaudited interim financial statements for each of the six-month periods indicated.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	July 31 (6 months)	
	2020	2019
Salaries, General Administrative Expenses and Travel	\$ 485,134	\$ 443,486
Registration, listing fees and shareholders' information	\$ 71,959	\$ 60,337
Professional and consultant fees	\$ 216,686	\$ 226,240
Depreciation of property, plant and equipment	\$ 714	\$ 1,647
Change in exploration and evaluation expenditures	\$ 2,526,901	\$ 555,191
Compensation and share-based payments	\$ 269,577	\$ 361,884
Part XII.6 taxes	\$ 6,673	\$ 38
Net change in fair value of marketable securities and warrants	\$ (184,250)	\$ (348,900)
	<u>\$ 3,393,394</u>	<u>\$ 1,299,923</u>
Interest income	\$ (41,003)	\$ (14,325)
Other revenues	\$ (218)	\$ (11,373)
Gain on disposal of property, plant and equipment	\$ -	\$ 35,011
Loss before income taxes	<u>\$ 3,352,173</u>	<u>\$ 1,347,686</u>
Deferred income taxes	<u>\$ (1,170,889)</u>	<u>\$ -</u>
Net loss and comprehensive loss for the period	<u>\$ 2,181,284</u>	<u>\$ 1,347,686</u>
Cash and cash equivalents	<u>\$ 864,491</u>	<u>\$ 945,364</u>

Salaries, General Administrative Expenses and Travel

Salaries, General Administrative Expenses and Travel for the six-month period ended July 31, 2020, consisted mainly of salaries and fringe benefits, insurance, interest and penalties, travel expenses, promotional activities, office expenses and the Company's claim renewal expenses. The increase of \$41,648 compared to the previous period is mainly due to the salaries and fringe benefits, the number of employees was also higher than during the period of three-month ended July 31, 2020 comparison period in 2019. A slight increase in membership fees was offset by a decrease in travel expenses, occupancy costs and the Company's claim renewal and management fees.

Registration, Listing Fees and Shareholder Information

Registration, listing fees and shareholder information expenses for the six-month period ended July 31, 2020, consisted mainly of expenditures of a legal and regulatory nature incurred to comply with the requirements of the securities commission. The increase of \$11,622 is mainly due to an increase in regulatory fees offset by a decrease in transfer agent and shareholder information expenses.

Professional and Consultant Fees

Professional and consulting fees for the six-month period ended July 31, 2020, consisted primarily of expenses of a legal and accounting nature, as well as audit, business development and management expenses. The decrease of \$9,554 compared to the previous period is due to a decrease in business development fees. An increase in consulting fees and in legal expenses also affected this change.

Change in exploration and evaluation expenditures

Change in exploration and evaluation expenditures included exploration and evaluation expenditures incurred on the Elmer East, La Loutre and Sakami projects. Evaluation and exploration expenditures of \$2,734,901 were incurred during the six-month period ended July 31, 2020. The proceeds of \$208,000 from the sale of the Chemin Troilus project to UrbanGold have been offset against the expenditures incurred.

MANAGEMENT DISCUSSION AND ANALYSIS

Compensation and Share-Based payments

Compensation and Share-based payments for the six-month period ended July 31, 2020, represent the charge related to the value of the 985,000 stock options granted to directors, officers, employees and consultants. A compensation charge of \$269,577 was thus assigned in relation to the stock options granted during the period, using the Black-Scholes model.

Net change in fair value of marketable securities and warrants

The change in the value of marketable securities is related to fluctuations in the prices of securities held on the TSX Venture Exchange.

SUMMARY OF QUARTERLY RESULTS

The comments below provide an analysis of the operating results for the three-month period ended July 31, 2020. The selected financial information shown below is taken from the condensed unaudited interim financial statements for each of the three-month periods indicated.

FINANCIAL HIGHLIGHTS

	July 31 (3 months)	
	2020	2019
Salaries, General Administrative Expenses and Travel	\$ 167,541	\$ 200,255
Registration, listing fees and shareholders' information	\$ 24,008	\$ 31,946
Professional and consultant fees	\$ 82,531	\$ 118,851
Depreciation of property, plant and equipment	\$ 438	\$ 627
Change in exploration and evaluation expenditures	\$ 634,976	\$ 72,341
Compensation and share-based payments	\$ 49,001	\$ 361,884
Part XII.6 taxes	\$ (7,884)	\$ -
Net change in fair value of marketable securities and warrants	\$ (203,000)	\$ 32,500
	<u>\$ 747,611</u>	<u>\$ 818,404</u>
Interest income	\$ (15,339)	\$ (2,868)
Other revenues	\$ (218)	\$ (2,555)
Gain on disposal of property, plant and equipment	\$ -	\$ 35,871
Loss before income taxes	\$ 732,054	\$ 848,852
Deferred income taxes	\$ (354,519)	\$ -
Net loss and comprehensive loss for the period	<u>\$ 377,535</u>	<u>\$ 848,852</u>
Cash and cash equivalents	<u>\$ 864,491</u>	<u>\$ 945,364</u>

Salaries, General Administrative Expenses and Travel

Salaries, General Administrative Expenses and Travel for the three-month period ended July 31, 2020, consisted mainly of salaries and fringe benefits, insurance, interest and penalties, travel expenses, promotional activities, office expenses and the Company's claim renewal expenses. The decrease of \$32,714 compared to the previous period is mainly due to membership fees, travel expenses, occupancy costs and the Company's claim renewal fees offset by an increase in salaries and fringe benefits, the number of employees was also higher than during the period of three-month ended July 31, 2020 comparison period in 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Registration, Listing Fees and Shareholder Information

Registration, listing fees and shareholder information expenses for the three-month period ended July 31, 2020, consisted mainly of expenditures of a legal and regulatory nature incurred to comply with the requirements of the securities commission. The decrease of \$7,938 is mainly due to a decrease of shareholder information expenses. An increase in regulatory nature fees also affected this item.

Professional and Consultant Fees

Professional and consulting fees for the three-month period ended July 31, 2020, consisted primarily of expenses of a legal and accounting nature, as well as audit, business development and management expenses. The decrease of \$36,320 compared to the previous period is due to a decrease in expenses of an accounting nature. The Company also recognized an increase in business development as well as legal fees.

Change in exploration and evaluation expenditures

Change in exploration and evaluation expenditures included exploration and evaluation expenditures incurred on the Elmer East, La Loutre and Sakami projects. Evaluation and exploration expenditures of \$842,976 were incurred during the three-month period ended July 31, 2020. The proceeds of \$208,000 from the sale of the Chemin Troilus project to UrbanGold also affected this change.

Compensation and Share-Based payments

Compensation and Share-based payments for the three-month period ended July 31, 2020, represent the charge related to the value of stock options granted previously. A compensation expense charge of \$49,001 was thus assigned in relation to the stock options granted during the period, using the Black-Scholes model.

Net change in fair value of marketable securities and warrants

The change in the value of marketable securities is related to fluctuations in the prices of securities held on the TSX Venture Exchange.

The selected financial information below was taken from the Company's unaudited condensed financial statements for each of the following quarters:

\$000s of \$ except for share data	July 31 2020	April 30 2020	January 31 2020	October 31 2019	July 31 2019	April 30 2019	January 31 2019	October 31 2018
Interests Income and other revenues	15	26	21	4	6	20	17	11
Net profit (loss)	(378)	(1,803)	(1,449)	(390)	(780)	43	(7,290)	(337)
Basic and diluted net income (net loss) per share	(0.006)	(0.027)	(0.030)	(0.009)	(0.017)	0.001	(0.162)	(0.008)

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents as at July 31, 2020, totaled \$864,491 compared to \$945,364 as at July 31, 2019. It is management's intention to secure further capital funding in the form of equity to support current and future exploration and evaluation assets development.

Date	Financing		Commercial Goals
November 2019	Flow-through shares	\$5,623,903	Exploration expenditures
November 2019	Common shares	\$916,800	Working Capital
December 2019	Common shares	\$500,00	Working Capital

MANAGEMENT DISCUSSION AND ANALYSIS

For the next fiscal year, the Company has budgeted \$1,206,000 for administrative expenses, including expenses related to business development. While management consider that the Company will be able to meet its current exploration obligations and keep its projects in good standing for the next 12 months even if it is unable to raise additional equity financing; advanced exploration of some of the mineral projects would require substantially more financial resources. There is no assurance that such financing will be available when required, or under terms that are favourable to Company. The Company may also select to advance the exploration and development of exploration and evaluation assets through joint ventures. Management is currently considering opportunities for further financing.

CASH FLOWS

	July 31 (6 months)	
	2020	2019
Operating activities	\$ (2,283,100)	\$(2,242,609)
Financing activities	\$ (1,245)	\$ -
Investing activities	\$ 688,338	\$ (87,885)
	<u>\$ (1,596,007)</u>	<u>\$(2,330,494)</u>
 Cash and cash equivalents	 <u>\$ 864,491</u>	 <u>\$ 945,364</u>

During the six-month period ended July 31, 2020, funds used for operating activities were spent primarily on improving operations and promotion of the Company.

During the six-month period ended July 31, 2020, investment activities consisted of the disposal of marketable securities, as well as the acquisition of property, plant and equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

OFF-BALANCE-SHEET ARRANGEMENTS

ROYALTIES ON MINING PROJECTS

PROJECTS	ROYALTIES		DESCRIPTION
	Name	Percentage	
Eeyou Istchee James Bay Territory projects, Quebec			
Sakami including the Apple area	Osisko Gold Royalties Ltd. (for Apple area)	100%	2% NSR of which 1% may be purchased for an amount of \$1,000,000
	Luc Lamarche	50%	1% NSR on some claims
	Jean-Raymond Lavallée	50%	
	Osisko Gold Royalties Ltd	100%	2% NSR on 81 claims of which 1% may be purchased for an amount of \$1,000,000
Elmer East	Tony Perron, Tony Perron & Janine Mongrain on certain claims, Tony Perron Hélène Laliberté on certain claims	100%	2% NSR of which 1% may be purchased for an amount of \$500,000
Other projects, Quebec			
La Loutre	Jean-Sébastien Lavallée	33.33%	1.5% NSR on some claims, of which 0.5% may be purchased for an amount of \$500,000
	Jean-Raymond Lavallée	33.33%	
	Michel Robert	33.33%	
Somanike	Osisko Gold Royalties Ltd.	100%	2% NSR on 55 claims
	Globex Mining Enterprises Inc.	100%	GMR (Gross Metal Royalty) on 7 claims of which 1% if Ni lower than \$6 US, 1.5% between \$6 and \$8 US and 2% if higher than \$8 US
	Jefmar Inc.	100%	2% NSR on 7 claims of which 1% may be purchased for an amount of \$1,000,000
	RNC Minerals	100%	2% on 6 claims of which 2% may be purchased for an amount of \$2,000,000
Kipawa	Toyotsu Rare Earth Canada Inc.	100%	10% on net profits interest
Tansim	Ressources Minérales Mistassini Inc.	100%	1.25% NSR on 4 claims of which 0.25% may be purchased for an amount of \$60,000
Valmont	André Gauthier	100%	1% NSR may be purchased for an amount of \$500,000 payable over 2 years
Vulcain	André Gauthier	60%	1% NSR may be purchased for an amount of \$500,000
	Jacques Duval	40%	
Ontario project			
Matheson	International Explorers and Prospectors Inc.	100%	1.5 % NSR of which 0.75% may be purchased for an amount of \$1,500,000
	Amalco	100%	0.75% NSR of which 0.75% may be purchased for an amount of \$750,000
	Certain individuals and companies on certain claims	100%	1% NSR of which 1% may be purchased for an amount of \$500,000

RELATED-PARTY TRANSACTIONS

Transactions with Key Executives and members of the Board of Directors

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

A) During the six-month ended July 31, 2020, the Company incurred \$1,265,230 (\$585,718 in 2019) in exploration and evaluation assets, \$8,320 professional and consultant fee (\$33,057 in 2019), general administrative expenses for \$14,312 (\$165,777 in 2019) with Consul-Teck Exploration Minière Inc., a company of which the Vice-President Exploration (former Executive Chairman) of the Company is a shareholder. An amount of \$623,399 was payable to Consul-Teck Exploration Minière Inc. as at July 31, 2020 (\$178,168 as at July 31, 2019).

B) The Vice-President Exploration of the Company owns 33.33% of the 1.5% NSR on the La Loutre project regarding the agreement signed in 2012. The Company has the option to purchase 0.5% of this NSR for \$500,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table reflects the remuneration of key management and directors of the Company:

	July 31, 2020	July 31, 2019
	\$	\$
Salaries and fringe benefits	356,483	169,949
Compensation and share-based payments	130,870	348,655
	<u>487,353</u>	<u>518,604</u>

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Critical judgments in applying the Company's accounting policies are detailed in the Annual Financial Statements, filed on SEDAR (www.sedar.com).

SIGNIFICANT ACCOUNTING POLICIES

For more information on the significant accounting policies, see note 5 to the audited financial statements for the year ended January 31, 2020.

CERTIFICATION OF INTERIM FILINGS

The Chief Executive Officer and Chief Financial Officer have signed the official basic certificates for venture issuers as required by *Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings*, confirming the review, absence of untrue or misleading information and fair presentation of the interim documents filed.

- The Chief Executive Officer and Chief Financial Officer have confirmed that they have reviewed the interim financial statements and the interim MD&A (collectively referred to as the "interim filings") of the Company for the six-month period ended July 31, 2020.
- The Chief Executive Officer and Chief Financial Officer have confirmed that, based on their knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a 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, with respect to the period covered by the interim filings
- The Chief Executive Officer and Chief Financial Officer have confirmed that, based on their knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings for these periods.

OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information data is derived from the audited financial statements at the periods indicated.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL COMPONENTS

	2020	July 31 2019 Restated	2018 Restated
Statements of Comprehensive Income			
Professional and consultant fees	\$ 216,686	\$ 226,240	\$ 417,591
Salaries, general administrative expenses and travel	\$ 485,134	443,486	\$ 75,442
Registration, listing fees and shareholders' information	\$ 71,959	\$ 60,337	\$ 235,813
Net increase in fair value of marketable securities and warrants	\$ (184,250)	\$ (348,900)	\$ -
Exploration and evaluation expenditures	\$ 2,526,901	\$ 555,191	\$ 551,654
Compensation and share-based payments	\$ 269,577	\$ 361,884	\$ -
Statements of Financial Position			
Cash and cash equivalents	\$ 864,491	\$ 945,364	\$ 4,883,079
Investments	\$ 2,908,000		\$ -
Deposits related to exploration and evaluation activities	\$ 184,397	\$ -	\$ -
Tax credits related to resources and refundable duties credits for losses receivable	\$ 157,959	\$ 358,865	\$ 202,852

MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information is derived from the Company's unaudited financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA (as at September 25, 2020)

Common shares outstanding:	67,684,334	
Options outstanding:	5,740,385	
Average exercise price of:	\$ 0.44	
<u>Expiry date</u>	<u>Number of shares</u>	<u>Exercise price</u>
		\$
December 2020	1,125,000	0.61
February 2021	250,000	0.37
July 2021	100,000	0.35
December 2021	270,000	0.235
February 2022	100,000	0.28
May 2022	240,385	0.624
August 2022	250,000	0.31
December 2023	1,020,000	0.61
June 2024	450,000	0.34
July 2024	1,000,000	0.35
February 2025	685,000	0.28
March 2025	200,000	0.19
July 2025	50,000	0.27
	<u>5,740,385</u>	
Warrants and brokers warrants outstanding :	1,210,863	
Average exercise price of:	\$ 0.30	
<u>Expiry date</u>	<u>Number of shares</u>	<u>Exercise price</u>
		\$
November 2021	<u>1,210,863</u>	0.30

Risks and Uncertainties. The Company is subject to a variety of risks, some of which are described below. If any of the following risks occur, the Company's business, results of operations or financial condition could be adversely affected in a material manner.

Exploration and mining risks. The Company's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few projects that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration projects may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Company's projects, or the current or proposed exploration programs on any of the projects in which the Company has exploration rights, will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral resources or mineral reserves.

MANAGEMENT DISCUSSION AND ANALYSIS

Estimates of mineral resources or mineral reserves and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to projects, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Titles to project. While the Company has diligently investigated title to the various projects in which it has an interest, and to the best of its knowledge, title to those projects are in good standing, this should not be construed as a guarantee of title. The projects may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and licenses. The Company's operations may require licenses and permits from various governmental authorities. The Company will use its best efforts to obtain all applicable licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all applicable material aspects with the terms of such licenses and permits. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices. Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition. The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental regulations. The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of interest. Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource projects. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining

MANAGEMENT DISCUSSION AND ANALYSIS

whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development. The Company's projects are in the exploration stage, and to date none of them have an estimation of mineral reserves. The Company does not have a history of earnings or providing a return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Industry conditions. Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of project, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured hazards. Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of the high cost of premiums or for other reasons. The payment of any such liability could result in the loss of Company assets or the Company's insolvency.

Future financing. Completion of future programs may require additional financing, which may dilute the interests of existing shareholders. The only sources of future funding presently available to QPM are the sale of equity capital, or the offering or sale by QPM of an interest in its non-core projects. Currently QPM has no projects that are under a purchase agreement requiring cash payments obligations. All projects in Eeyou Istchee James Bay territory are 100% owned and the only financial obligation are the annual payments of mining claim renewal fees. The availability of financing is not assured and is subject to market conditions.

Key employees. Management of the Company rests on a few key officers and members of the board of directors, the loss of any of whom could have a detrimental effect on its operations.

Canada Revenue Agency. No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the Income Tax Act (Canada).

Covid-19 risks. Since beginning of March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in a very important economic slowdown.

The Company re-commenced on-site activities in June and is continuing off-site activities to further the Company's objectives during this uncertain and rapidly evolving time and to follow the recommendations of Quebec Government and Health Canada/Sante Quebec. 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. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

The Company has put in place a rigorous protocol, in accordance with INSPQ and CNESST guidelines, to ensure the protection of all stakeholders in the region in the context of the COVID-19 pandemic. The Company's protocol has been communicated to and reviewed by the Cree Nation Government. The Company wishes to acknowledge the excellent cooperation received from the Cree authorities in support of the exploration programs during this difficult period.