



**QUEBEC PRECIOUS METALS CORPORATION**  
(An exploration company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Year ended  
January 31, 2022  
(Fourth Quarter)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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This management discussion and analysis ("MD&A") of Quebec Precious Metals Corporation, ("QPM" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of QPM, on how the Company performed during the three-month and year ended January 31, 2022. It includes a review of the Company's financial condition and a review of operations for the three-month and year ended January 31, 2022, as compared to the three-month and year ended January 31, 2021.

This MD&A complements the audited financial statements for the year ended January 31, 2022, but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited annual financial statements as at January 31, 2022 and related notes thereto.

The audited financial statements for the years ended January 31, 2022 and 2021 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of annual financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at January 31, 2022. On May 19, 2022, the Board of Directors approved, for issuance, the audited annual financial statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://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 CJCFF and on the Frankfurt Exchange under the symbol YXEN.

## REPORT'S DATE

The MD&A was prepared with the information available as at May 19, 2022.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. 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". In the interest of providing shareholders and potential investors with information regarding QPM, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: 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 necessary permits and approvals from government authorities, and other development and operating risks, and failure to obtain financing to continue its operations. The preliminary assessments contained in the technical reports referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## 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 ("Newmont") 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.

## HIGHLIGHTS

- Sakami project (La Pointe and La Pointe Extension deposits) (flagship project, the "Project"): the exploration program announced in early 2021 continued with diamond drilling to expand the mineralized zone at the La Pointe Extension deposit. Drilling activities continued during the 2021-2022 fall and winter seasons.
- Elmer East: On September 8, 2021, the Company announced high grade grab samples of 68.1 and 61.8 g/t Au on the Elmer East project, extending the mineralized corridor to 4.2 km on the Lloyd discovery area. The helicopter orthophoto and LiDAR data collection, vein characterization, and channel sampling of new high-grade Lloyd and Georgekish discoveries was completed. On March 23, 2022, GoldSpot Discoveries Corp. ("GoldSpot"), a leading technology services company leveraging machine learning to transform the mineral discovery process, and the Company provided an update on the project. Highlights were:
  - Presence of a 4.5 km long gold-bearing structure with high grades remains open to extend mineralization at depth confirmed at the Lloyd discovery;
  - Processing of aeromagnetic and orthophotos/LiDAR data defines dilatant zones along the structure in a sinistral strike-slip system and connected with dykes; and
  - Recommended 2022 program consists of an IP survey to better define the structure's high-priority gold targets followed by drilling.
- On August 9, 2021, the Company announced that Vital Metals Limited ("Vital") and QPM signed an agreement for the acquisition by Vital of QPM's 68% interest in the Kipawa rare earth project and 100% of Zeus rare earth project in Quebec, Canada, for \$8 million, to be paid over 5 years.
- On October 18, 2021, the Company announced the receipt of a \$2,000,000 payment in connection with the sale of a 2% Net Smelter Return royalty on all payable metals from the mining rights of the Tansim lithium project.
- In May 2021, the Company concluded three private placements by issuing 14,774,543 common shares and proceeds of \$3,250,399.
- The Company's monetization process is ongoing for the Matheson Joint Venture project (gold).
- The Company has put in place a rigorous protocol, in accordance with INSPQ (*Institut national de santé publique du Québec*) and CNESST (*Commission des normes, de l'équité, de la santé et de la sécurité du travail*) 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.
- On December 15, 2021, the Company announced it received certification to UL 2723: ECOLOGO Certification Program for Responsible Development for Mineral Exploration Companies.

## HIGHLIGHTS AFTER JANUARY 31, 2022

- On February 1, 2022, the Company announced that Jean-François Meilleur stepped down from his role as President and Director with the Company, effective as of the date hereof, to pursue other opportunities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- On February 7, 2022, the Company and Vital advised that they amended the terms of the acquisition of the Company's 68% interest in the Kipawa exploration project and 100% interest in the Zeus exploration project. The terms of the acquisition have been amended to extend the due diligence period by 9 months to September 30, 2022. This extension will enable Vital to undertake more extensive engagement with local communities to help inform the details of its plan for the development of the projects. If the transaction contemplated is not completed by September 30, 2022, by reason of Vital deciding not to proceed with the transaction as a result of its due diligence investigations or by reason of any material default or breach of Vital in the performance of its obligations under this agreement, an amount of \$1,000,000 and any interest thereon will be paid by Vital and forfeit to the Company.
- On February 15, 2022, the Company reported preliminary test results from six (6) representative samples from the La Pointe and La Pointe Extension deposits on the Project. Highlights of the test results were:
  - Optimal gold recovery would require a conventional milling flowsheet with crushing, grinding, gold leaching and dissolved gold recovery.
  - Gold recoveries ranging from 91% to 99% were obtained from six (6) representative composite samples with cyanidation.
  - The grinding Bond work index ranges from 9.1 to 11.1 kWh/t, which is considered as medium strength values in the gold extraction industry; and
  - The mineralogical composition confirmed that no deleterious components to cyanidation processes are present in the tested material.
- On February 24, 2022, the Company reported the results from the 2021 induced polarization ("IP") survey (the "2021 IP") on the Project. The highlights were:
  - IP anomalies over 2.5 km along strike south of the La Pointe deposit that are associated with an interpreted large size intrusive body; and
  - New drill targets identified while other targets continue to be drilled.
- On March 10, 2022, the Company announced drill hole assay results from three (3) new drill holes completed during the 2021 fall program. The results confirmed the extensive gold mineralization at the La Pointe Extension gold deposit, on the Project. Highlights were:
  - Two holes have intersected extensive mineralization over wide intervals:
  - Hole PT-21-187: 69.6 g/t Au over 0.6 m within 1.32 g/t Au over 94 m; and
  - Hole PT-21-188: 1.51 g/t Au over 42.15 m within 0.95 g/t Au over 100.8 m.

These two new holes confirm the continuity and the depth extension by about 100 m of the central portion of the deposit which could be amenable to open pit mining.
- On March 15, 2022, the Company announced that it granted an aggregate of 835,000 stock options at a price of \$0.17 per share of the Company. Of this number, 640,000 were granted to its directors and officers, 50,000 to one employee and 145,000 to three consultants.

## OUTLOOK

### 2022 Plans

- Sakami: winter drilling program (2,982 m, 7 holes, completed, assay results pending) and summer program including drilling based on the 2021 and winter 2022 drill results combined with the recently interpreted target areas from geological and structural information and induced polarization survey data. Completion of maiden resource estimate.
- Elmer East: IP survey at the Lloyd discovery to better define the structure's high-priority gold targets followed by drilling.
- Cheechoo-Éléonore Trend: prospecting on anomalous gold in till samples.
- Blanche and Charles: no work planned.
- Monetization process ongoing of remaining non-core asset: Matheson Joint Venture (gold).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION ACTIVITIES FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2022

During the three-month period ended January 31, 2022, the Company incurred \$1,024,733 in exploration and evaluation expenditures (net of tax credit related to resources and mining tax credit of \$793,670) of which the main expenses were spent on the Project.

### QUEBEC PRECIOUS METALS CORPORATION

#### Exploration and evaluation expenditures

For the three-month period ended January 31, 2022

	Blanche-Charles	Elmer East	La Loutre	Sakami	Somanike	Total
	\$	\$		\$	\$	\$
<b>Exploration and evaluation expenditures</b>						
Assays	-	2,442	-	44,032	-	46,474
Drilling	-	-	-	1,482,652	-	1,482,652
Geology and geophysics	-	18,907	-	97,571	-	116,478
Resource estimate	-	-	-	58,948	-	58,948
Geophysical and electromagnetic survey	-	1,500	-	4,000	-	5,500
Metallurgy	-	-	-	41,654	-	41,654
Other evaluation and exploration expenses	75	897	-	65,725	-	66,697
Tax credit related to resources and mining tax credits	(33)	(11,414)	-	(782,223)	-	(793,670)
	42	12,332	-	1,012,359	-	1,024,733

### QUEBEC PRECIOUS METALS CORPORATION

#### Exploration and evaluation expenditures

For the three-month period ended January 31, 2021

	Blanche-Charles	Elmer East	La Loutre	Sakami	Somanike	Total
	\$	\$		\$	\$	\$
<b>Exploration and evaluation expenditures</b>						
Assays	-	1,925	-	94,499	-	96,424
Drilling	-	519	-	79,489	-	80,008
Reporting	-	-	-	35,777	-	35,777
Geology and geophysics	-	8,875	-	87,259	1,758	97,892
Metallurgy	-	-	-	2,086	-	2,086
Other evaluation and exploration expenses	-	1,382	1,455	(21,438)	22,000	3,399
Rebidding	-	-	(8,730)	-	-	(8,730)
Tax credit related to resources and mining tax credits	-	(3,595)	-	(7,572)	-	(11,167)
	-	9,106	(7,275)	270,100	23,758	295,689

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION ACTIVITIES FOR THE YEAR ENDED JANUARY 31, 2022

During the year ended January 31, 2022, the Company incurred \$3,480,950 in exploration and evaluation expenditures (net of tax credit related to resources and mining tax credit of \$1,339,145) of which the main expenses were spent on the Project.

### QUEBEC PRECIOUS METALS CORPORATION Exploration and evaluation expenditures For the year ended January 31, 2022

	Blanche-Charles	Cheechoo-Éléonore trend	Elmer East	La Loutre	Sakami	Somanike	Total
	\$	\$	\$	\$	\$		\$
<b>Exploration and evaluation expenditures</b>							
Assays	-	84	8,663	-	180,519	-	189,266
Drilling	-	-	-	-	2,836,117	-	2,836,117
Line cutting	-	-	-	-	202,432	-	202,432
Geology and geophysics	-	19,399	137,644	-	742,680	-	899,723
Geophysical and electromagnetic survey	-	-	1,500	-	164,518	-	166,018
Geochemistry	-	-	32,548	-	24,000	-	56,548
Resource estimate	-	-	-	-	58,948	-	58,948
Prospecting	14,365	-	42,408	-	93,791	-	150,564
Reporting	-	-	-	-	10,533	-	10,533
Metallurgy	-	-	-	-	113,179	-	113,179
Other evaluation and exploration expenses	75	-	3,487	-	133,205	-	136,767
Tax credit related to resources and mining tax credits	(33)	(1,171)	(91,476)	-	(1,246,465)	-	(1,339,145)
	14,407	18,312	134,774	-	3,313,457	-	3,480,950

### QUEBEC PRECIOUS METALS CORPORATION Exploration and evaluation expenditures For the year ended January 31, 2021

	Blanche-Charles	Cheechoo-Éléonore trend	Elmer East	La Loutre	Sakami	Somanike	Total
	\$	\$	\$	\$	\$		\$
<b>Exploration and evaluation expenditures</b>							
Assays	-	-	27,979	-	310,863	-	338,842
Drilling	-	-	207,449	-	2,804,402	-	3,011,851
Reporting	-	-	423,668	-	71,527	-	495,195
Airborne geophysical survey	-	-	185,773	-	-	-	185,773
Line cutting	-	-	-	-	22,906	-	22,906
Geology and geophysics	-	-	81,046	-	322,281	1,758	405,085
Geochemistry	-	-	-	-	662	-	662
Prospecting	-	-	79,524	-	121,205	-	200,729
Metallurgy	-	-	-	-	2,086	-	2,086
Other evaluation and exploration expenses	-	-	4,452	14,550	8,845	22,000	49,847
Rebidding	-	-	-	(13,095)	-	-	(13,095)
Tax credit related to resources and mining tax credits	-	-	(3,595)	-	(7,572)	-	(11,167)
	-	-	1,006,296	1,455	3,657,205	23,758	4,688,714

## EXPLORATION PROJECTS

### EYYOU ISTCHEE JAMES BAY, QUÉBEC

#### SAKAMI – GOLD PROJECT

#### Project Description

The Project consists of a block of 281 contiguous mineral claims (142.50 km<sup>2</sup>) comprising of several peninsulas and islands in the centre of the Sakami Reservoir. The Project is 100% owned by QPM.

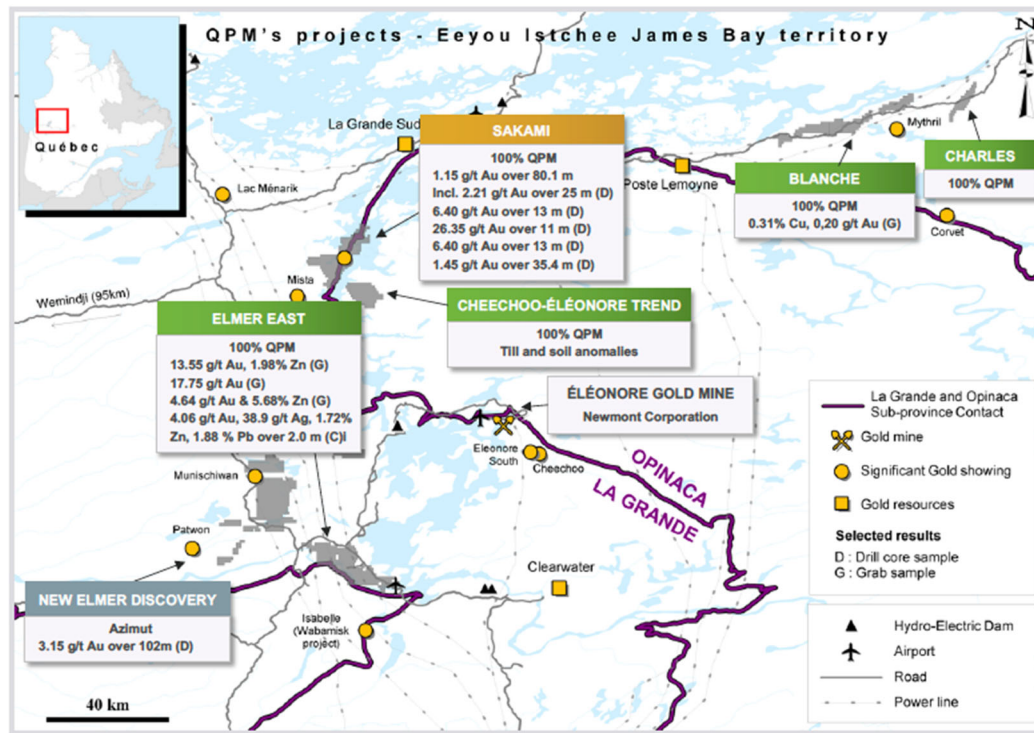
The town of Radisson in the Eeyou Istchee James Bay territory of Quebec is the closest infrastructure, located 130 km northwest of the Project with Matagami, located approximately 600 km to the south.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The Project is located in the James Bay gold mining camp where the Éléonore gold mine is owned and operated by Newmont (see figure below).

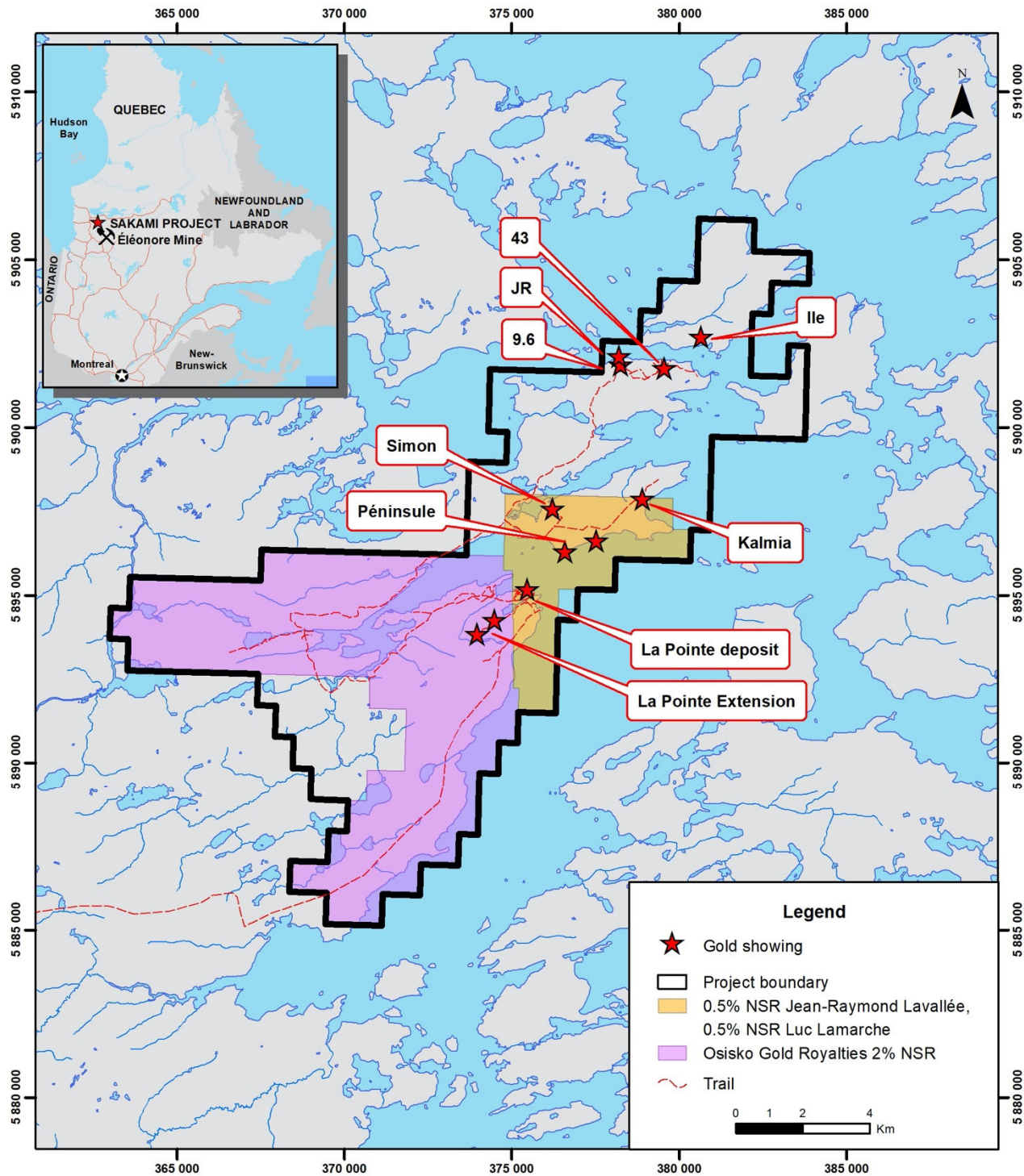
The Project is subject to a 1% Net Smelter Return ("NSR") royalty on certain claims (agreement signed on September 7, 1999) and a NSR of 2% on 81 claims. QPM has a right to buy back half of the 2% NSR (i.e., 1%) against a \$1 million cash payment to the owners (agreement signed on September 28, 2007).

The three figures below illustrate the Company's projects in the James Bay region, the location of the Project and claims with NSR, and interpreted total magnetic intensity from airborne surveys and gold showings on the Project.



Map of the James Bay area with QPM's projects, gold deposits and showings

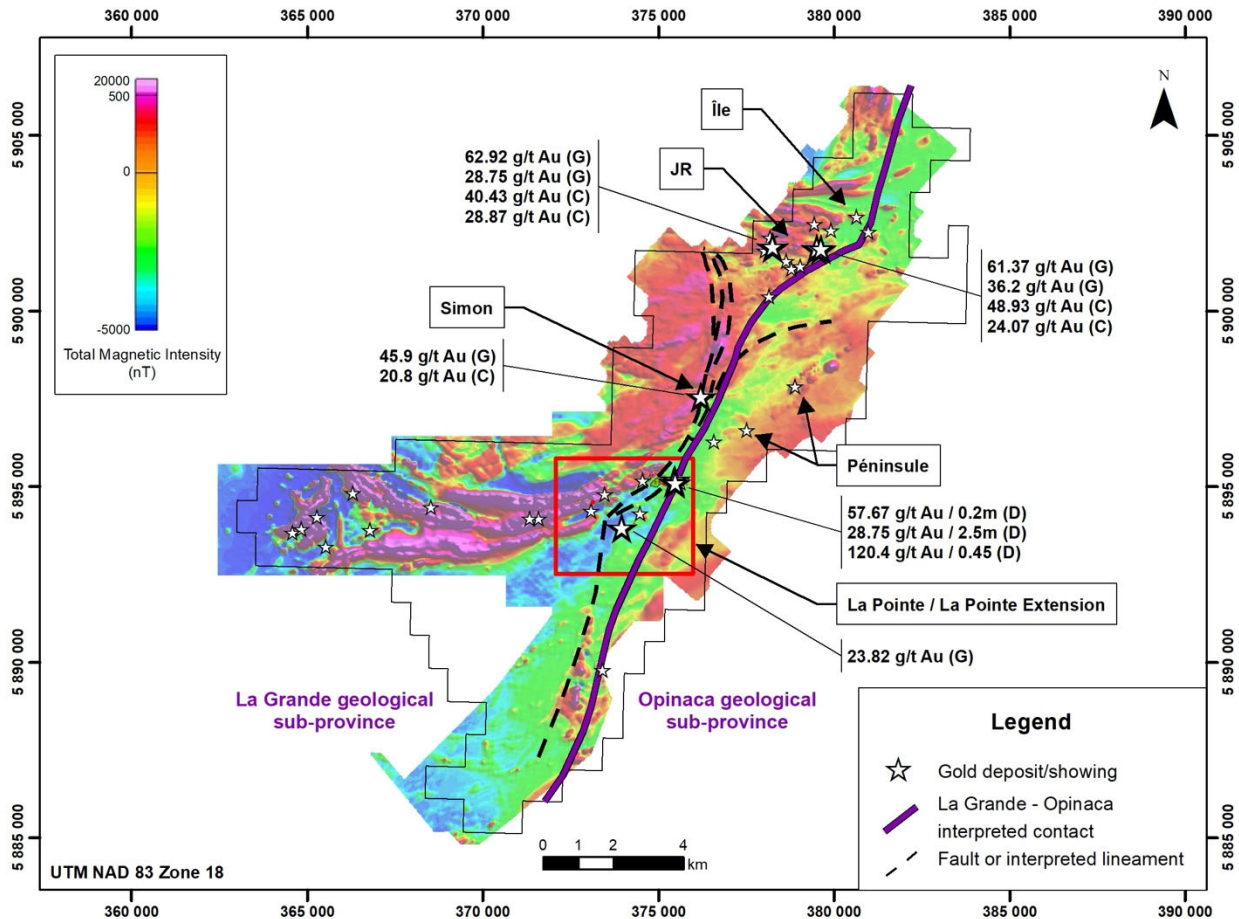
# MANAGEMENT'S DISCUSSION AND ANALYSIS



Location of the Project and claims with NSR royalties



# MANAGEMENT'S DISCUSSION AND ANALYSIS



Map showing interpreted Total Magnetic Intensity from airborne surveys and gold showings of the Project

## Historical Exploration Work

Exploration work within and surrounding the Project area has taken place since the late 1950's whereby geological, geochemical, geophysical and other exploration work programs were completed within and around the Project area which were compiled in a geological map and a report on the Sakami area issued by the Geological Survey of Canada in 1957. From 1956 to 2007, numerous exploration programs executed by several major and junior exploration companies including Mines D'Or Virginia Inc. ("Virginia"), the company that discovered the Éléonore gold mine, took place in the Project area. The various exploration work programs consisted of airborne magnetic and electromagnetic surveys, geological, geochemical, and ground geophysical programs, and diamond drilling.

In 1998, Matamec initially acquired claims in the Sakami Reservoir area and mineralized zones were discovered on the western shore of the Sakami Reservoir. The new gold mineralization discovered by Matamec went unnoticed despite the abundance of outcrop exposure. Significant gold grades were obtained from grab and channel samples. In 2013, the Company started to drill on the La Pointe area and obtained significant gold intersections.

## Geological Setting, Mineralization and Deposit Types

The Project is located within the central part of the Superior Geological Province, which comprises four subprovinces: from north to south, they are the La Grande, Opinaca, Nemiscau and Opatika. The Project straddles the geological contact of the sediments of the Opinaca Subprovince and Yasinski group basalts of the La Grande Subprovince: the regional exploration guideline that led to the discovery of the Éléonore gold mine in 2004, and the discovery of gold deposits and showings in the region. The Project area offers a variety

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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of lithologic settings in which to host various mineral deposit types. Several mineralized areas hosting variable gold grades are known to exist throughout the Project and have been the focus of exploration work.

The Project is hosted within a volcano-sedimentary sequence which is metamorphosed to amphibolite facies and is strongly deformed by a regional west-southwest to east-northeast event in contact with sedimentary rocks to the east. Airborne magnetic survey data interpretations show a clear alignment between the gold showings and the La Grande and Opinaca contact and structures sub-parallel to the contact.

The focus of recent work has been the La Pointe and La Pointe Extension deposits, JR and Simon areas. Recent drilling has focused on the La Pointe and La Pointe Extension deposits in which gold occurs at the geological subprovinces contact in association with structural deformation. At the La Pointe deposit, the mineralized zone has a strike length 950 m, a depth of 450 m with an estimated average true thickness of 35 m, up to 63 m in the central part of the deposit. At the La Pointe Extension deposit, the interpreted mineralized zone has a strike length of 3,750 m. The deposit has a minimum depth of 400 m and with estimated average true thickness of 41 m, up to 75 m in the central part of the deposit. For both deposits, preliminary metallurgical test results indicate gold recoveries up to 99% with no deleterious components present. Results from the winter drill program at the La Pointe Extension deposit will be released in the spring.

The main lithologies are:

- biotite-rich and silicified paragneiss with intrusions of granodiorite, tonalite and pegmatite; and
- amphibolite (metamorphosed sedimentary iron formation and mafic volcanic rock).

Gold is accompanied by disseminated arsenopyrite, pyrite and pyrrhotite and cross-cutting quartz-carbonate veinlets.

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

### Exploration and Drilling

The work completed to date is comprised of:

- Heliborne geophysical surveys (2,060 line-km);
- Ground magnetic surveys (280 line-km);
- Induced polarization ("IP") surveys (239 line-km);
- Soil geochemistry (4,418 samples);
- Rock sampling (1,902 grab samples);
- Channel sampling (1,285 samples); and
- Diamond drilling (to the end of March 2022, 217 holes, 52,799 m).

This work on the Project has resulted in:

- Identifying a 23-km gold-bearing contact between volcano-sedimentary (La Grande geological subprovince) & sedimentary (Opinaca geological subprovince) rocks supported by airborne magnetic surveys data interpretation;
- Discovering, through prospecting along the contact, of significant showings over 13 km at the La Pointe and La Pointe Extension deposits, Île, JR, Péninsule and Simon areas;
- At the La Pointe and La Pointe Extension deposits, defining a 6,000 m long by 400 m wide area prospective trend with multiple soil anomalies for Au with associated As;
- Delineating drill targets with IP surveys that coincide with soil anomalies and surface showings; and
- Focusing since 2018 on the La Pointe and La Pointe Extension deposits.

The Project has significant potential to host economic gold mineralization and requires additional drilling to extend the known mineralization.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

At the La Pointe deposit, a total of 134 diamond drill holes have intercepted the deposit on 36,747 m of drilling. The true thickness of mineralization ranges from 1 to 63 m. When plotted on longitudinal sections, metal factors (grade x thickness values) clearly show richer cores of mineralized material trending to the east and west, and open at depth. To the west, an interpreted fault that shifts the mineralization has been identified. The 2021 drilling program was designed to expand the deposit across the fault laterally and at depth.

During the 2020 winter drilling campaign, the discovery of the La Pointe Extension deposit was made while investigating strong gold and arsenic soil geochemical anomalies and high-grade mineralized samples taken from outcrops. Following the discovery, an IP survey conducted to evaluate the potential size of the mineralized zone. The survey extended the zone of interest 800 m to the northwest, delineating a 2 km-long anomaly with an interpreted parallel structure. Longitudinal sections of metal factors indicate a concentration of gold along a 3,750 m-long mineralized trend that connects with the La Pointe deposit to the northeast, and open at depth. At the La Pointe Extension deposit, a total of 47 drill holes have been completed on 14,535 m of drilling. The true thickness of mineralization ranges from 2 to 75 m.

Drill hole assay results from three (3) new drill holes completed during the 2021 fall program confirmed the extensive gold mineralization at the La Pointe Extension gold deposit. Highlights were:

- Two holes have intersected extensive mineralization over wide intervals:
- Hole PT-21-187: 69.6 g/t Au over 0.6 m within 1.32 g/t Au over 94 m; and
- Hole PT-21-188: 1.51 g/t Au over 42.15 m within 0.95 g/t Au over 100.8 m.

These two new holes confirm the continuity and the depth extension by about 100 m of the central portion of the deposit which could be amenable to open pit mining.

### **EYYOU ISTCHEE JAMES BAY, QUÉBEC - OTHER PROJECTS**

#### **CHEECHOO-ÉLÉONORE TREND – GOLD PROJECT**

##### **Project description**

The Cheechoo-Éléonore Trend project is wholly-owned by the Company and consists of 128 claims (66.26 km<sup>2</sup>). 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 Cheechoo-Éléonore Trend 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).

A soil geochemistry survey (952 samples) and a prospecting program (154 grab samples) were conducted in 2019 and 2021. Anomalous gold values were detected in several soil samples from the northwestern part of the project. Prospecting work was performed as part of the exploration work on the Sakami project.

The field program carried out on the project did not explain the till anomalies detected during the 2016 and 2017 campaigns carried out by Sirios. The rock samples collected on the two B horizon sampling grids did not return any anomalous gold values. Despite the rather disappointing results, it is recommended to continue work on the project by focusing on secondary targets that have been relatively little explored to date.

#### **ELMER EAST – GOLD PROJECT**

##### **Project Description**

The Elmer East project is 100% owned by the Company and consists of 929 claims (488.42 km<sup>2</sup>). The project is located in the extension of the recent gold discovery made by Azimut Exploration Inc. on the Patwon Prospect on its Elmer project. The Elmer East project was acquired, by map designation, and includes the Company's

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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claim blocks previously known as the Annabelle and Opinaca Gold West projects. The western part of the Elmer East project is contiguous with Azimut's project.

Azimut announced in early 2020 significant gold-bearing drill intersections on the Patwon Prospect: 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 Elmer East project consists of different parts of the Eastmain volcano-sedimentary belt. The Opinaca Gold West claim block and Opinaca Gold East block are located on the eastern edge of the Duxbury batholith and are composed of the Bernou and Pilipas formations. The Central Block is located along and north of the Opinaca River straddling a contact between the Duxbury batholith and the Kauputauch formation. The Annabelle block lies along the Eastmain River for more than 25 km and straddles the contact of the Kapawasatish batholith to the north and the Kawaschusi and Wabamisk formations to the south. Metamorphism generally varies between greenschist and upper amphibolite.

### Historical Exploration Work

Several areas of the Elmer East project were extensively explored starting in 1977. Since 2017, QPM has carried out mapping and prospecting work in 2019 on the Annabelle, Opinaca Gold West and Central blocks. A high-resolution helicopter-borne mag survey was completed in the winter of 2020.

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).

Prior to the summer 2020 campaign, GoldSpot Discoveries Corp. carried out a geological interpretation and an evaluation of the gold prospectivity using methods based on Artificial Intelligence. The compilation of over 30,000 outcrop observations combined with over 12,000 lithogeochemical samples allowed a revision of the existing large-scale geological mapping, which resulted in the reinterpretation of the regional geological map. This work highlighted the common geological characteristics of the Elmer East project with the Éléonore gold mine:

- a volcano-sedimentary sequence, comprising from base to summit, basalts, conglomerates, sandstone-grauwacke and paragneiss, all intruded by several felsic intrusions;
- a structural complexity with zones of intense folding and shearing;
- felsic and sedimentary volcanic units dated to around <2709 Ma; and
- a major variation of the metamorphic gradient from greenschist to upper amphibolite.

A total of 425 grab samples were collected during the 2020 summer surface exploration campaign. The most significant values were obtained primarily from the new Lloyd discovery in the Annabelle claim block, as follows:

- 4.06 g/t Au, 38.9 g/t Ag, 1.72 % Zn, 1.88 % Pb over 2.0 m (channel R4)
- 1.77 g/t Au, 12.3 g/t Ag, 0.30 % Zn, 0.78 % Pb over 1.0 m (channel R9)
- 1.73 g/t Au, 10.3 g/t Ag, 1.00 % Zn, 0.49 % Pb over 1.0 m (channel R8)
- 1.18 g/t Au, 10.2 g/t Ag, 0.52 % Zn, 0.71 % Pb over 1.0 m (channel R7)
- 0.96 g/t Au, 19.5 g/t Ag, 1.66 % Zn, 0.51 % Pb over 2.0 m (channel R3)

On September 8, 2021, the Company reported high-grade grab samples of 68.1 and 61.8 g/t Au and confirmed the extension of the mineralized corridor to 4.2 km at the Lloyd discovery area from 60 m to 4.2 km (see two figures below). The most significant samples are as follows:

- 68.1 g/t Au, 13.4 g/t Ag, 0.26 % Zn, 0.34 % Pb
- 8.17 g/t Au, 41.2 g/t Ag, 0.21 % Zn, 1.65 % Pb

## MANAGEMENT'S DISCUSSION AND ANALYSIS

- 7.31 g/t Au, 18.3 g/t Ag, 0.28 % Zn, 0.46 % Pb
- 6.05 g/t Au, 4.6 g/t Ag
- 5.97 g/t Au, 31.8 g/t Ag, 0.13 % Pb

In addition, a new gold-bearing vein grading 61.8 g/t Au and 35.8 g/t Ag was discovered at the Georgekish showing in the north-central claim block of the project.

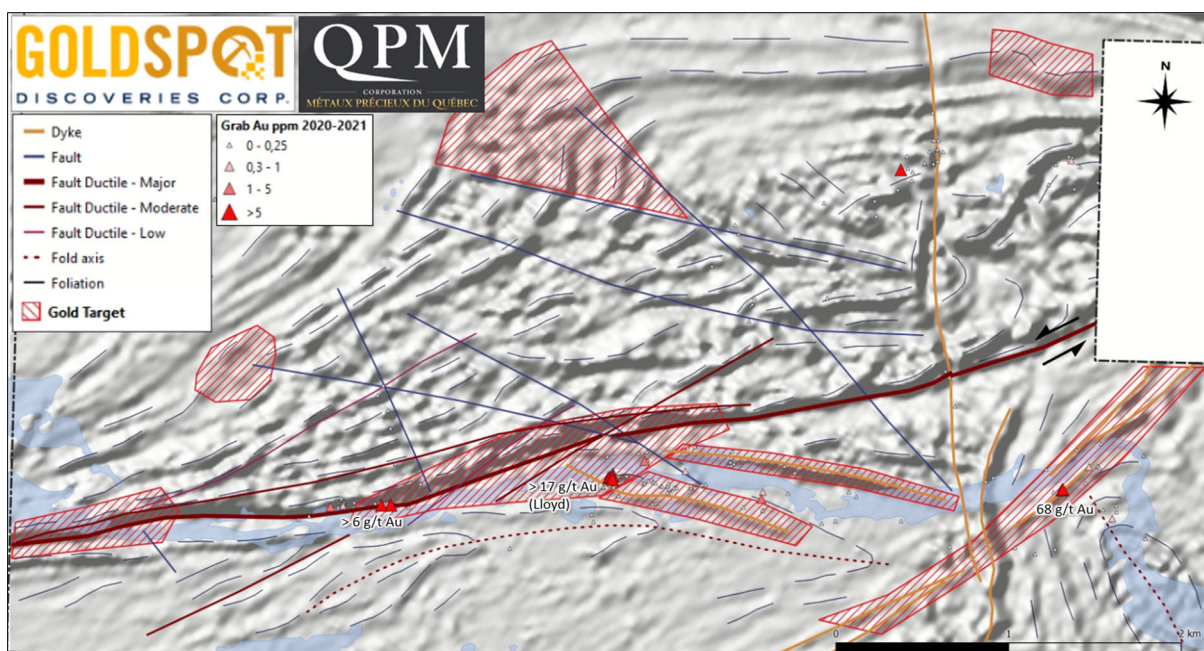
On March 23, 2022, GoldSpot and the Company provided an exploration update on the Elmer East project. Highlights were:

- Presence of a 4.5 km long gold-bearing structure with high grades remains open to extend mineralization at depth confirmed at the Lloyd discovery;
- Processing of aeromagnetic and orthophotos/LiDAR data defines dilatant zones along the structure in a sinistral strike-slip system and connected with dykes; and
- Recommended 2022 program consists of an IP survey to better define the structure's high-priority gold targets followed by drilling.



Helicopter view of the Lloyd discovery area





Map of the Lloyd discovery areas showing the 4.5 km mineralized trend following the Eastmain River - Interpreted gold targets and Interpreted structural lineaments.  
Shaded first vertical derivative of the magnetic data in background.

## BLANCHE AND CHARLES – GOLD-COPPER PROJECT

### Project description

The Blanche claim block is wholly-owned by the Company and consists of 256 claims (130.92 km<sup>2</sup>). It lies approximately 150 km northwest of the Eleonore mine. It is accessible east on the Trans-Taïga Road (230 km). The Charles claim block, also wholly-owned by the Company, consists of 61 claims (31.15 km<sup>2</sup>). It is located approximately 120 km northeast of the Éléonore mine and approximately 15 km east of the Blanche claim block 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 this project. The project is 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.

On the Blanche claims, 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.

The Charles claims 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 claim block 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. No exploration activities are planned for the 2022 field season.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## NON-CORE ASSETS

### KIPAWA-ZEUS - RARE EARTHS PROJECT

#### Project description

The Company has a 68% interest in the Kipawa project, through the Kipawa Rare Earth Joint Venture, with Investissement Quebec holding the remaining 32% interest. The project is part of the 73 claims (43.03 km<sup>2</sup>) of the Kipawa-Zeus project. Claims that are not part of the Kipawa project are wholly owned by the Company (Zeus project). 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 August 9, 2021, the Company announced that Vital and QPM signed an agreement for the acquisition by Vital of QPM's 68% interest in the Kipawa rare earth project and 100% of Zeus Rare Earth project in Quebec, Canada, for \$8 million. The transaction was expected to close by September 30, 2022.

On February 7, 2022, the Company and Vital advised that they amended the terms of the acquisition of the Company's 68% interest in the Kipawa exploration project and 100% interest in the Zeus exploration project. The terms of the acquisition have been amended to extend the due diligence period by 9 months to September 30, 2022. This extension will enable Vital to undertake more extensive engagement with local communities to help inform the details of its plan for the development of the projects. If the transaction contemplated is not completed by September 30, 2022 by reason of Vital deciding not to proceed with the transaction as a result of its due diligence investigations or by reason of any material default or breach of Vital in the performance of its obligations under this term sheet, an amount of \$1,000,000 and any interest thereon will be paid by Vital and forfeit to the Company.

### VULCAIN – NICKEL-COPPER PROJECT

#### Project description

The Vulcain project consists of 68 claims (40.05 km<sup>2</sup>) 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 carried 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.

On December 10, 2020, the Company announced that it had entered into an agreement with Fjordland Exploration Inc. ("Fjordland") to acquire 100% of the project. The agreement allows Fjordland to earn a 100% interest by paying the Company a total amount of \$50,000 in cash (amount paid in December 2020), issuing 1,000,000 Fjordland common shares (condition fulfilled) and by incurring \$1,000,000 in exploration expenditures on the project over a period of five years. As well, the project is subject to a 1% NSR royalty to be retained by the Company provided that Fjordland shall have the right at any time to purchase back one-half percent of the royalty for the sum of \$500,000 and the second one-half percent of the royalty for the sum of \$2,500,000. Fjordland is also assuming the 2% pre-existing NSR royalty to underlying parties. Each one-half percent of the NSR royalty can be repurchased at any time for \$250,000. As a result, all the overriding royalties can be retired for \$4,000,000 at any time.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **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 km<sup>2</sup> 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. 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 Company filed an independent technical report dated September 5, 2019, for the Matheson project. This technical report was prepared by Paul Chamois, geologist, of RPA Inc., an independent qualified person as defined by NI 43-101 on standards of disclosure for mineral projects ("NI 43-101"). IEP and the Company are in the process to sell their respective interest in the Matheson project or identify a partner to continue exploring the project.

## **NEW GOLD - GOLD PROJECT**

### **Project Description**

The New Gold project is wholly-owned by the Company, and consists of 9 mineral claims (4.76 km<sup>2</sup>). 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. No exploration work program is planned in 2022.

## **CHEMIN TROÏLUS – GOLD PROJECT (NO LONGER HELD)**

### **Project Description**

The Chemin Troïlus project consisted of 61 mineral claims (33.15 km<sup>2</sup>). The project was located 25 km southwest of the former Troïlus 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-Troïlus greenstone belt. This corridor includes the Troïlus 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 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 on May 26, 2020, made a lump sum cash payment of \$100,000 and assumed responsibility for the pre-existing 2% NSR royalty.

## **LA LOUTRE – GRAPHITE PROJECT (NO LONGER HELD)**

### **Project description**

The La Loutre project consisted of one contiguous block of 48 mineral claims (28.67 km<sup>2</sup>) located approximately 53 km east of the Lac-des-Îles graphite mine (operated by Imerys), 120 km north of Montreal. The project is



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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subject to a 1.5% NSR royalty on certain claims, of which 0.5% could have been bought back for an amount of \$500,000.

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 confirmed a graphite-bearing structure covering an area of approximately 7 km by 1 km in multiple parallel zones 30 m to 50 m wide. Another area has also been identified covering an area of approximately 2 km by 1 km in multiple parallel zones of 20 m to 50 m 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, an independent technical report was filed by a predecessor company and entitled "Technical Report and Mineral Resource Estimate for the Loutre Property" on Sedar at [www.sedar.com](http://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 NI 43-101.

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.

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 issued the Company 1,000,000 common shares on August 31, 2020 and paid the Company an additional amount of \$1,125,000 on January 29, 2021 (total for both projects).

### **SOMANIKE – NICKEL-COPPER PROJECT (NO LONGER HELD)**

#### **Project Description**

The Somanike project consisted of 107 claims (50.21 km<sup>2</sup>). The project was located about 25 km northwest of Malartic, in the Abitibi region.

In August 20, 2018, the Company signed an agreement with Vanicom Resources Limited ("Vanicom") (Amended on March 20, 2019, September 18, 2019, May 7, 2020 and June 2, 2020) whereby Vanicom has been granted an option to earn 100% interest in the Somanike project in consideration of a total cash payment of \$25,000 upon signature of the agreement (payment received). Vanicom must also issue \$75,000 in common shares of Class 1 Nickel and Technologies Inc. ("Class 1"), its parent company (104,166 common shares have been issued on August 28, 2020 for a value of \$75,000) and incur \$600,000 in exploration expenditures, including 750 m of drilling, no later than December 31, 2021 (expenditures incurred and drilling completed), subject to an agreement between Globex Mining Enterprises Inc. and Class 1. Vanicom must also make a cash payment of \$25,000 and must issue \$25,000 in common shares of Class 1 by June 15, 2022 (payment received and 38,462 common shares have been issued on August 20, 2020 for a value of \$25,000) and must make a cash payment of \$50,000 and must issue \$25,000 in common shares of Class 1 by June 15, 2023 (payment received and 38,461 common shares have been issued on August 20, 2020 for a value of \$25,000). Class 1 has an option to acquire a 100% interest in the rights held by Vanicom.

On February 12, 2021, Vanicom completed its final cash payment to the Company to acquire a 100% interest in the Somanike project.

### **TANSIM – LITHIUM PROJECT (NO LONGER HELD)**

#### **Project Description**

The Tansim project consisted of 65 claims (37.66 km<sup>2</sup>) in the Témiscamingue RCM. 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 and was wholly-owned by the Company. The Tansim project is part of the Pontiac geological Subprovince, located south of the Abitibi geological Subprovince, part of the

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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Archean Superior province. The lithologies consist of a group of Late Archean metasedimentary-metavolcanic-granitoid-gneissic rocks.

On January 22, 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 could have acquired 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 pay 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 work and make the \$100,000 payment from January 31, 2019 (condition fulfilled), to April 19, 2019 (amount paid).

To earn an additional 50% interest to hold 100% of the project, Sayona was required to 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). On December 22, 2020, Sayona paid \$250,000 to the Company to earn an additional 50% interest in the project. As part of the option agreement, the Company received a 2% NSR royalty on the production of minerals mined on the project (NSR royalty agreement executed on June 9, 2021). On October 18, 2021, the Company announced the receipt of a \$ 2,000,000 payment in connection with the sale of a 2% Net Smelter Return royalty on all payable metals from the mining rights of the Tansim lithium project. The Company no longer owns this project.

## QUALIFIED PERSON

Normand Champigny, Eng., Chief Executive Officer, Qualified Person under NI 43-101, has prepared, verified and approved the data and technical content of this MD&A for the projects.

## FINANCIAL INFORMATION

### Functional and presentation currency

This selected financial information is presented in Canadian dollars, the Company's functional currency.

### IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 3 in the audited annual financial statements for the year ended January 31, 2022.

### Use of estimates and judgements

Please refer to Note 2.4 of the audited annual financial statements for the year ended January 2022 for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, and expenses.

### Reporting global event

Since the 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 circumstances have increased business uncertainties and have heightened risk levels to operating businesses.

The Company shut down site activities on March 13, 2020 in accordance with provincial requirements as issued by Québec Government and Health Canada/Santé Québec. The Company re-commenced on-site activities in June 2020 and is continuing to further the Company's objectives during this uncertain and rapidly evolving time and is following the recommendations of Québec Government and Health Canada/Santé Québec. There was no material impact on the Company's operations at the date of these financial statements identified by management.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Company has put in place a rigorous protocol, in accordance with INSPQ (Institut national de santé publique du Québec) and CNESST (Commission des normes, de l'équité, de la santé et de la sécurité du travail) guidelines, to ensure the protection of all stakeholders in the region in the context of the COVID-19 pandemic.

The increasing tensions related to the ongoing conflict between Russia and Ukraine, and economic sanctions imposed in relation thereto, have contributed to additional volatility in commodity prices. The effect of this global event cannot accurately be predicted.

### **Changes in accounting policies**

There were no changes to accounting policies for the year ended January 31, 2022.

### **New standards and interpretations that have not yet been adopted**

At the date of authorization of the financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

### **Dividends**

The Company has no dividend policy.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial information is derived from our audited financial statements for each of the years ended ("YE") 2020 to 2022:

### QUEBEC PRECIOUS METALS CORPORATION SELECTED ANNUAL FINANCIAL INFORMATION

#### STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

##### Operating expenses :

	YE-2022 January 31 2022	YE-2021 January 31 2021	YE-2020 January 31 2020
	\$	\$	\$
Salaries and employee benefit expense	1,045,312	862,028	450,590
Office expenses	170,065	114,640	289,731
Business development and investor relations	510,030	296,066	315,220
Registration, listing fees and shareholders information	84,619	86,236	57,906
Professional and consulting fees	464,052	326,777	333,940
Depreciation of property and equipment	3,421	2,430	2,289
Share-based compensation	247,917	404,585	277,698
Part XII.6 tax	452	-	38
Exploration and evaluation expenditures	3,480,950	4,688,714	1,656,067
Loss on disposal of property, plant and equipment	-	-	35,011
	6,006,818	6,781,476	3,418,490

##### Other (income) expenses:

Finance expense	2,683	-	-
Interest income	(4,266)	(53,978)	(32,077)
Government assistance	(27,484)	-	-
Other revenues	-	(4,148)	(18,495)
Change in fair value of marketable securities	21,544	(286,796)	(411,335)
Gain on disposal of mining projects	(75,000)	(1,898,000)	(150,000)
Gain on disposal of net smelter return (NSR)	(2,000,000)	-	-
Exchange loss	2,532	(269)	958
	(2,079,991)	(2,243,191)	(610,949)

##### Income tax recovery

	(117,468)	(1,591,920)	(231,347)
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##### Net loss and comprehensive loss

	3,809,359	2,946,365	2,576,194
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##### Basic and diluted loss per share:

	0.05	0.04	0.05
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#### STATEMENTS OF FINANCIAL POSITION

	YE-2022 January 31 2022	YE-2021 January 31 2021	YE-2020 January 31 2020
	\$	\$	\$
Cash and cash equivalents	1,578,789	1,178,991	2,460,498
Restricted cash	-	1,125,000	-
Investments	-	-	3,600,000
Marketable securities	137,366	614,527	33,750
Taxes receivable	283,121	57,117	160,623
Other receivable	-	1,236	47,636
Prepays expenses and deposits related to exploration and evaluation activities	154,814	154,254	618,963
Tax credits related to resources receivable	1,188,817	140,226	701,116
Mining tax credits receivable	161,495	28,900	88,664
<b>Total current assets</b>	<b>3,504,402</b>	<b>3,300,251</b>	<b>7,711,250</b>
Property and equipment	5,250	8,671	4,664
<b>Total non-current assets</b>	<b>5,250</b>	<b>8,671</b>	<b>4,664</b>
<b>Total assets</b>	<b>3,509,652</b>	<b>3,308,922</b>	<b>7,715,914</b>
Trade accounts payable and accrued liabilities	1,118,121	368,100	718,892
Liability related to flow-through shares	-	117,468	1,709,388
<b>Total current liabilities</b>	<b>1,118,121</b>	<b>485,568</b>	<b>2,428,280</b>
Loan	35,199	-	-
<b>Total non-current liabilities</b>	<b>35,199</b>	<b>-</b>	<b>-</b>
Share capital	50,501,034	47,551,328	47,439,128
Contributed surplus	5,007,913	4,615,282	4,245,397
Deficit	(53,152,615)	(49,343,256)	(46,396,891)
<b>Total equity</b>	<b>2,356,332</b>	<b>2,823,354</b>	<b>5,287,634</b>
<b>Total liabilities &amp; equity</b>	<b>3,509,652</b>	<b>3,308,922</b>	<b>7,715,914</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Results of operations for the year ended January 31, 2022 (YE-2022)

The basic and diluted loss per share during the YE-2022 is \$0.05 (\$0.04 in 2021 and \$0.05 in 2020). During the YE-2022, the Company realized a net loss of \$3,809,359 as compared to a net loss of \$2,946,365 for the YE-2021 (an increase of \$862,994 in 2022 compared to 2021) and to a net loss of \$2,576,164 for the YE-2020 (an increase of \$370,171 in 2021 compared to 2020).

The increase of \$862,994 for YE-2022 as compared to YE-2021 in net loss and comprehensive loss is mostly attributable to a decrease of \$1,474,452 in income tax recovery (\$117,468 for YE-2022 compared to \$1,591,920 for YE-2021), partially offset by a decrease of \$774,658 in operating expenses (\$6,006,818 in YE-2022 (mainly made up of exploration and evaluation expenditures of \$3,480,950) compared to \$6,781,476 in operating expenses for YE-2021 (mainly made up of exploration and evaluation expenditures of \$4,688,714)).

The increase of \$370,717 for YE-2021 as compared to YE-2020 in net loss and comprehensive loss is mostly attributable to an increase of \$3,362,986 in operating expenses (\$6,781,476 in YE-2021 (mainly made up of exploration and evaluation expenditures of \$4,688,714) compared to \$3,418,490 in operating expenses for YE-2020 (mainly made up of exploration and evaluation expenditures of \$1,656,067), partially offset by the increase of \$1,632,242 in other income for YE-2021 as compared to YE-2020, attributable to an increase in gain on disposal of mining project of \$1,748,000 (\$1,898,000 for YE-2021 (\$208,000 for the disposal of the Chemin Troilus project, \$125,000 for the disposal of the Somanike project, \$1,170,000 for the disposal of the Lac-des-Îles and La Loutre project, \$250,000 for the disposal of the Tansim project and \$145,000 for the disposal of the Vulcain project) as compared to \$150,000 for YE-2020 (\$125,000 for the disposal of the Tansim project and \$25,000 for the disposal of the Somanike project)).

The total assets as at January 31, 2022 were \$3,509,652 as compared to \$3,308,922 and \$7,715,914 for the years ended January 31, 2021 and 2020 respectively. The increase of \$200,730 in total assets in 2022 compared to 2021 (\$3,509,652 in 2022 compared to \$3,308,922 in 2021) was due to two major items that had significantly changed in 2022 compared to 2021. The increase of \$1,048,591 in mining tax credits related to eligible exploration and evaluation expenditures receivable (\$1,188,817 in 2022 compared to \$140,226 in 2021 due to eligible exploration and evaluation expenditures of \$3,067,914 for 2022 as compared to \$Nil for 2021) and the decrease of 1,125,000 of restricted cash in 2022 used in exploration and evaluation expenditures for the La Loutre project as per an agreement with a third party.

The decrease of \$4,406,992 in total assets in 2021 compared to 2020 (\$3,308,922 compared to \$7,715,914) is mainly due to a decrease of \$3,600,000 in investments held as at the year ended (\$Nil as at January 31, 2021 compared to \$3,600,000 as at January 31, 2020).

The total current liabilities as at January 31, 2022 were \$1,118,121 as compared to \$485,568 and \$2,428,280 for the years ended January 31, 2021 and 2020 respectively. The increase of \$632,553 in total current liabilities in 2022 compared to 2021 is mainly due to a significant increase of \$750,021 in trade accounts payable and accrued liabilities (\$1,118,121 as at January 31, 2022 compared to \$368,100 as at January 31, 2021). During the last quarter ended January 31, 2022, QPM incurred operating expenses of \$1,757,793 compared to operating expenses of \$792,766 for the last quarter ended January 31, 2021. The difference of nearly \$1M explains the difference between accounts payable and accrued payable as of January 31, 2022 and January 31, 2021.

The decrease of \$1,942,712 in total current liabilities in 2021 compared to 2020 is mainly due to a significant decrease of \$1,591,920 in liability related to flow-through shares (\$117,468 as at January 31, 2021 compared to \$1,709,388 as at January 31, 2020) attributable to an increase of \$3,967,449 in eligible exploration and evaluation expenditures (\$4,511,794 for YE-2021 compared to \$544,345 for YE-2020).

The total non-current liabilities as at January 31, 2022 were \$35,199 as compared to \$Nil and \$Nil for the years ended January 31, 2021 and 2020 respectively. The increase is mainly due to the proceeds from a loan of \$60,000 from the Canada Emergency Business Account ("CEBA") in 2022, which includes a loan forgiveness of \$20,000.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The total equity as at January 31, 2022 were \$2,356,332 as compared to an equity of \$2,823,354 and \$5,287,634 for the years ended January 31, 2021 and 2020 respectively.

The change of \$467,022 in equity in 2022 compared to 2021 (\$2,356,332 compared to \$2,823,354) is mainly due to the net loss and comprehensive loss of \$3,809,359 in 2022 offset by the funds raised from private placements of approximately \$3,000,000 in 2022 net of share issuance costs as compared to \$Nil for 2021.

The change of \$2,464,280 in equity in 2021 compared to 2020 (\$2,823,354 compared to \$5,287,634) is mainly due to the net loss and comprehensive loss of \$2,946,365 in 2021.

### ***Operating expenses***

During YE-2022, operating expenses were \$6,006,818 as compared to \$6,781,476 for YE-2021.

The decrease of \$774,658 for YE-2022 as compared to YE-2021 in expenses is mainly attributable to a decrease of \$1,207,764 in exploration and evaluation expenditures (\$3,480,950 in YE-2022 compared to \$4,688,714 in YE-2021), partially offset by an increase of \$183,284 in salaries and employee benefit expense for YE-2022 (\$1,045,312 for YE-2022 compared to \$862,028 for YE-2021) mainly due to a severance payment of \$183,869 paid in YE-2022 (\$Nil in YE-2021), by an increase of \$213,964 in business development and investor relations (\$510,030 for YE-2022 compared to \$296,066 for YE-2021) mainly due to additional investor relations efforts in YE-2022, and by an increase of \$137,275 in professional and consulting fees (\$464,052 for YE-2022 compared to \$326,777 for YE-2021) mainly due to legal fees incurred of approximately \$100,000 related to the potential disposal of various projects in YE-2022.

During the YE-2021, expenses were \$6,781,207 as compared to \$3,419,448 for the YE-2020.

The increase of \$3,361,759 for YE-2021 as compared to YE-2020 in expenses is attributable to an increase of \$3,032,647 in exploration and evaluation expenditures (\$4,688,714 for YE-2021 compared to \$1,656,067 for YE-2020).

### ***Other income***

During YE-2022, other income was \$2,079,991 as compared to other income of \$2,243,191 for YE-2021.

The increase of \$163,200 in other income for YE-2022 as compared to YE-2021 is mostly attributable to an increase in gain on disposal of net smelter return (NSR) of \$2,000,000 (\$2,000,000 for YE-2022 for the disposal of NSR of the Tansim project as compared to \$Nil for YE-2021) partially offset by a decrease in gain on disposal of mining projects of \$1,823,000 (\$75,000 for the disposal of Somanike project for YE-2022 as compared to \$1,898,000 for YE-2021 (\$208,000 for the disposal of the Chemin Troilus project, \$125,000 for the disposal of the Somanike project, \$1,170,000 for the disposal of the La Loutre project, \$250,000 for the disposal of the Tansim project and \$145,000 for the disposal of the Vulcain project)) and a decrease of \$308,340 in change in fair value of marketable securities (loss of \$21,544 for YE-2022 as compared to a gain of \$286,796 for YE-2021).

During the YE-2021, the other income was \$2,243,191 as compared to other income of \$610,949 for YE-2020.

The increase of \$1,632,242 in other income for YE-2021 as compared to YE-2020 is attributable to an increase in gain on disposal of mining project of \$1,748,000 (\$1,898,000 for YE-2021 (\$208,000 for the disposal of the Chemin Troilus project, \$125,000 for the disposal of the Somanike project, \$1,170,000 for the disposal of the Lac-des-Îles and La Loutre project, \$250,000 for the disposal of the Tansim project and \$145,000 for the disposal of the Vulcain project) as compared to \$150,000 for YE-2020 (\$125,000 for the disposal of the Tansim project and \$25,000 for the disposal of the Somanike project).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### ***Income tax recovery***

The income tax recovery is the result of the amortization of the other liabilities related to flow-through share financings. The obligation is reversed with a corresponding income tax recovery recorded as the exploration and evaluation expenditures are incurred.

During YE-2022, income tax recovery was \$117,468 as compared to income tax recovery of \$1,591,920 for YE-2021.

The decrease of \$1,474,452 for YE-2022 as compared to YE-2021 in income tax recovery is attributable to a decrease of \$3,940,030 in eligible exploration and evaluation expenditures (\$567,764 for YE-2022 compared to \$4,511,794 for YE-2021). In 2021, the Company fulfilled its obligation related to flow-through share financings.

During the YE-2021, the income tax recovery was \$1,591,920 as compared to income tax recovery of \$231,347 for the YE-2020.

The increase of \$1,360,573 for YE-2021 as compared to YE-2020 in income tax recovery is attributable to an increase of \$3,967,449 in eligible exploration and evaluation expenditures (\$4,511,794 for YE-2021 compared to \$544,345 for YE-2020).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## SELECTED QUARTERLY FINANCIAL INFORMATION

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

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements for each of the three-month periods indicated.

### QUEBEC PRECIOUS METALS CORPORATION SELECTED QUARTERLY FINANCIAL INFORMATION

	Q4-2022	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>STATEMENTS OF LOSS (INCOME) AND COMPREHENSIVE LOSS (INCOME)</b>								
<b>Operating expenses :</b>								
Salaries and employee benefit expense	429,337	177,121	240,386	198,468	299,602	187,257	143,335	231,834
Office expenses	46,859	44,044	20,945	58,217	27,608	13,258	14,229	59,545
Business development and investor relations	132,158	182,529	130,000	65,343	39,177	186,963	11,935	57,991
Registration, listing fees and shareholders information	11,870	21,620	44,444	6,685	5,490	18,787	24,008	37,951
Professional and consulting fees	71,942	95,656	187,330	109,124	109,880	24,485	80,054	112,358
Share-based compensation	39,525	32,980	79,316	96,096	14,627	120,381	49,001	220,576
Part XII.6 tax	452	-	-	-	-	(6,673)	(7,884)	14,557
Exploration and evaluation expenditures	1,024,733	493,616	921,832	1,040,769	295,689	1,658,124	842,976	1,891,925
Depreciation of property and equipment	863	862	862	834	693	1,023	438	276
	1,757,739	1,048,428	1,625,115	1,575,536	792,766	2,203,605	1,158,092	2,627,013
<b>Other expenses (income):</b>								
Finance expense	1,218	1,177	288	-	-	-	-	-
Interest income	(8)	(9)	(1,138)	(3,111)	(27,678)	14,703	(15,339)	(25,664)
Other revenues	-	-	-	-	(510)	(3,420)	(218)	-
Government assistance	-	-	(27,484)	-	-	-	-	-
Change in fair value of marketable securities	391	20,679	38,600	(38,126)	(235,942)	133,396	(203,000)	18,750
Gain on disposal of mining projects	-	-	-	(75,000)	(1,565,000)	(125,000)	(208,000)	-
Gain on disposal of net smelter return (NSR)	-	(2,000,000)	-	-	-	-	-	-
Exchange loss	2,171	281	80	-	(822)	4	529	20
	3,772	(1,977,872)	10,346	(116,237)	(1,829,952)	19,683	(426,028)	(6,894)
<b>Income tax recovery</b>	-	-	-	117,468	32,524	388,507	354,519	816,370
<b>Total net loss (income) and comprehensive loss (income)</b>	1,761,511	(929,444)	1,635,461	1,341,831	(1,069,710)	1,834,781	377,545	1,803,749
<b>Basic and diluted loss (income) per share:</b>	0.02	(0.01)	0.02	0.02	(0.02)	0.03	0.01	0.03
<b>STATEMENTS OF FINANCIAL POSITION</b>								
Cash and cash equivalents	1,578,789	3,655,032	3,526,067	1,261,376	1,178,991	808,337	1,272,491	715,406
Restricted cash	-	-	-	697,938	1,125,000	-	-	-
Investments	-	-	-	-	-	1,085,000	2,500,000	2,600,000
Marketable securities	137,366	137,757	158,436	197,036	614,527	253,796	326,000	15,000
Taxes receivable	283,121	215,350	163,590	157,446	57,117	239,251	169,543	267,183
Other receivable	-	-	16,699	-	1,236	26,039	37,338	54,495
Prepays expenses and deposits related to exploration and evaluation activities	154,814	148,132	201,279	341,178	154,254	79,061	232,045	314,525
Tax credits related to resources receivable	1,188,817	477,894	136,306	140,226	140,226	140,226	140,226	701,116
Mining tax credits receivable	161,495	78,748	28,403	28,900	28,900	17,733	17,733	88,664
<b>Total current assets</b>	3,504,402	4,712,913	4,230,780	2,824,100	3,300,251	2,649,443	4,695,376	4,756,389
Property and equipment	5,250	6,113	6,975	7,837	8,671	6,589	7,612	5,765
<b>Total non-current assets</b>	5,250	6,113	6,975	7,837	8,671	6,589	7,612	5,765
<b>Total assets</b>	3,509,652	4,719,026	4,237,755	2,831,937	3,308,922	2,656,032	4,702,988	4,762,154
Trade accounts payable and other liabilities	1,118,121	557,849	1,023,927	1,108,728	368,100	767,023	789,807	164,675
Liability related to flow-through shares	-	-	-	-	117,468	149,992	538,499	893,018
<b>Total current liabilities</b>	1,118,121	557,849	1,023,927	1,108,728	485,568	917,015	1,328,306	1,057,693
Loan	35,199	33,981	32,804	-	-	-	-	-
<b>Total non-current liabilities</b>	35,199	33,981	32,804	-	-	-	-	-
<b>Total equity</b>	2,356,332	4,127,196	3,181,024	1,723,209	2,823,354	1,739,017	3,374,682	3,704,461
<b>Total liabilities &amp; equity</b>	3,509,652	4,719,026	4,237,755	2,831,937	3,308,922	2,656,032	4,702,988	4,762,154



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The net loss and comprehensive loss of \$1,761,511 for Q4-2022 is mostly attributable to exploration and evaluation expenditures of \$1,024,733 and salaries and employee benefit expense of \$429,337 which includes a bonus of \$197,983 for the year ended January 31, 2022 and a severance payment of \$183,689.

The net income and comprehensive income of \$929,444 for Q3-2022 is mostly attributable to a gain on disposal of an NSR of \$2,000,000, partially offset by exploration and evaluation expenditures of \$493,616.

The net loss and comprehensive loss of \$1,635,461 for Q2-2022 is mostly attributable to exploration and evaluation expenditures of \$921,832.

The net loss and comprehensive loss of \$1,341,831 for Q1-2022 is mostly attributable to exploration and evaluation expenditures of \$1,040,769.

The net income and comprehensive income of \$1,069,710 for Q4-2021 is mostly attributable to a gain on disposal of mining projects of \$1,565,000.

The net loss and comprehensive loss of \$1,834,781 for Q3-2021 is mostly attributable to exploration and evaluation expenditures of \$1,658,124.

The net loss and comprehensive loss of \$377,545 for Q2-2021 is mostly attributable to exploration and evaluation expenditures of \$842,976.

The net loss and comprehensive loss of \$1,803,749 for Q1-2021 is mostly attributable to exploration and evaluation expenditures of \$1,891,925.

### **Results of operations for the three-month period ended January 31, 2022 (Q4-2022)**

#### ***Net (loss) income and comprehensive (loss) income***

The basic and diluted loss per share for Q4-2022 is \$0.02 as compared to a basic and diluted income per share of \$0.02 for Q4-2021.

During Q4-2022, the Company realized a net loss and comprehensive loss of \$1,761,511 as compared to a net income and comprehensive income of \$1,069,710 for Q4-2021.

The increase of \$2,831,221 for Q4-2022 as compared to Q4-2021 in net loss and comprehensive loss is mostly attributable to a gain on disposal of mining projects of \$1,565,000 in Q4-2021 (\$Nil in Q4-2022) and an increase in exploration and evaluation expenditures of \$729,044 in Q4-2022 as compared to Q4-2021 (\$1,024,733 in Q4-2022 compared to \$295,689 in Q4-2021).

#### ***Operating expenses***

During Q4-2022, expenses were \$1,757,739 as compared to \$792,766 for Q4-2021.

The increase of \$964,973 for Q4-2022 as compared to Q4-2021 in expenses is attributable to an increase of \$729,044 in exploration and evaluation expenditures (\$1,024,733 in Q4-2022 compared to \$295,689 in Q4-2021) combined with an increase of \$129,735 in salaries and employee benefit expense (\$429,337 for Q4-2021 compared to \$299,602 for Q4-2021) which is including bonus of \$197,983 for the year ended January 31, 2022 and a severance payment of \$183,689 for Q4-2022 as compared to bonus amounted to \$145,590 for the year ended January 31, 2021 and bonus of \$86,476 for the year ended January 31, 2020 recorded in Q4-2021, and an increase of \$92,981 in business development and investor relations for Q4-2022 (\$132,158 for Q4-2022 compared to \$39,177 for Q4-2021, mostly explained by additional investor relations effort of approximately \$66,000 recognized for Q4-2022 as compared to \$Nil for Q4-2021).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### ***Other expenses (income)***

During Q4-2022, other expenses were \$3,772 as compared to other income of \$1,829,952 for Q4-2021.

The decrease of \$1,833,724 in other income for Q4-2022 as compared to Q4-2021 is mostly attributable to a decrease in gain on disposal of mining projects of \$1,565,000 (\$Nil for Q4-2022 as compared to \$1,565,000 for Q4-2021 (\$1,170,000 for the disposal of the Lac-des-Îles and La Loutre project, \$250,000 for the disposal of the Tansim project and \$145,000 for the disposal of the Vulcain project)).

### ***Income tax recovery***

The income tax recovery is the result of the amortization of the other liabilities related to flow-through share financings. The obligation is reversed with a corresponding income tax recovery recorded as the exploration and evaluation expenditures are incurred.

During Q4-2022, income tax recovery was \$Nil as compared to income tax recovery of \$32,524 for Q4-2021. The decrease of \$32,524 for Q4-2022 as compared to Q4-2021 in income tax recovery is attributable to a decrease of \$157,199 in eligible exploration and evaluation expenditures (\$Nil for Q4-2022 compared to \$157,199 for Q4-2021). In April 2021, the Company fulfilled its obligation related to flow-through share financings.

## **CASH FLOWS**

### **Cash flows used for operating activities**

Cash flows used for operating activities were \$6,313,527 during YE-2022, an increase of \$881,938 as compared to cash flows used for operating activities of \$5,431,589 during YE-2021. The increase is mostly explained by a decrease of \$563,320 in cash flows used for operating activities before changes in working capital (negative cash flows of \$5,753,746 for the YE-2022 (mainly made up of operating expenses of \$6,006,818) as compared to negative cash flows of \$6,316,066 for YE-2021 (mainly made up of operating expenses of \$6,781,476)), which is more than offset by an increase of \$1,444,258 in cash flows from change in working capital items (negative cash flows of \$559,781 for YE-2022 as compared to positive cash flows of \$884,477 for YE-2021).

### **Cash flows from (used for) financing activities**

Cash flows from financing activities were \$4,182,708 during YE-2022, an increase of \$5,230,208 as compared to cash flows of \$1,047,500 used for financing activities during YE-2021. The increase is attributable to an increase of \$3,250,399 in proceeds from private placements (\$3,250,399 for YE-2022 as compared to \$Nil for YE-2021) combined with the use of restricted cash for exploration activities proper to the Company expressed as a decrease in restricted cash of \$1,125,000. During YE-2022, the Company incurred exploration expenses of \$1,125,000 eligible under the agreement with Lomiko thus reducing QPM's obligation to incur exploration work from \$1,125,000 to \$Nil.

### **Cash flows from investing activities**

Cash flows from investing activities were \$2,530,617 during YE-2022, a decrease of \$2,666,965 as compared to cash flows of \$5,197,582 from investing activities during YE-2021. The decrease is mostly attributable to a decrease of \$3,600,000 in the proceeds from disposal of investments (\$Nil for YE-2022 as compared to \$3,600,000 for YE-2021) and a decrease of \$1,450,000 in option payments received (\$75,000 in YE-2022 as compared to \$1,525,000 for YE-2021), partially offset by an increase of \$376,598 in the proceeds from disposal of marketable securities (\$455,617 for YE-2022 as compared to \$79,019 for YE-2021) combined with an increase of \$2,000,000 in a payment received on the disposal of a net smelter return (NSR) (\$2,000,000 for YE-2022 on the Tansim project as compared to \$Nil for YE-2021).

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OTHER FINANCIAL DISCLOSURES

### Related party transactions

Please refer to Note 16 of the audited annual financial statements for the year ended January 31, 2022, for a summary of the Company's transactions with related parties.

### Contingency

Please refer to Note 17 of the audited annual financial statements for the year ended January 31, 2022, for a summary of the Company's commitments.

### Subsequent events

Please refer to Note 21 of the audited annual financial statements for the year ended January 31, 2022, for a summary of the Company's subsequent events.

### Off-financial position arrangements

As at January 31, 2022, the Company has the following off-financial position arrangements:

- ROYALTIES ON MINING PROJECTS**

PROJECTS	ROYALTIES		DESCRIPTION
	Name	Percentage	
Eeyou Istchee James Bay Territory projects, Quebec			
Sakami	Luc Lamarche Estate	50%	1% NSR on some claims
	Jean-Raymond Lavallée	50%	
		Osisko Gold Royalties Ltd.	100%
Elmer East	Tony Perron, Tony Perron & Janine Mongrain on certain claims, Tony Perron & H��		

### Going concern assumption

The Company has not yet determined whether the mining projects have mineral reserves. The exploration and development of mineral deposits involves significant financial risks. The success of the Company will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

Although management has taken steps to verify titles of the mining projects in which the Company holds an interest, in accordance with industry standards for the current stage of exploration of such projects, these procedures do not guarantee the Company's project title. Project title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements have been prepared by the Company on a going concern basis, assuming that the Company will be able to realize its assets and settle its liabilities in the normal course of business as they come due.

For the year ended January 31, 2022, the Company recorded a net loss of \$3,809,359 (\$2,946,365 for the year ended January 31, 2021) and has an accumulated deficit of \$53,152,615 as at January 31, 2022 (\$49,343,256 as at January 31, 2021). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at January 31, 2022, the Company had a working capital (current assets in excess of current liabilities) of \$2,386,281 (a working capital of \$2,814,683 as at January 31, 2021) including cash and cash equivalents of \$1,578,789 (\$1,178,991 in cash and cash equivalents as at January 31, 2021). The Company is still in exploration stage and, as such, no revenue nor cash flow has been yet generated from its operating activities other than to the sales of non-core assets. Consequently, management periodically seeks financing through the issuance of shares, the exercise of warrants and share purchase options to continue its operations, and despite the fact that it has been able in the past, there is no guarantee of success for the future. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

## Capital management policies and procedures

Please refer to Note 19 of the audited annual financial statements for the year ended January 31, 2022, for a summary of the Company's capital management policies and procedures.

## Disclosure of outstanding share data

The following selected financial information is derived from our unaudited financial statements.

### QUEBEC PRECIOUS METALS CORPORATION

Disclosure of outstanding share data (as at May 19, 2022)

<b>Outstanding common shares:</b>					82,458,877
<b>Outstanding share options:</b>					5,365,000
Average exercise price of:					\$0.336
Average remaining life of:					2.91 years
Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life	
			\$	(years)	
February 19, 2023	50,000	50,000	0.29	0.80	
February 25, 2023	200,000	200,000	0.29	0.80	
December 12, 2023	920,000	920,000	0.61	1.60	
March 15, 2024	60,000	60,000	0.17	1.80	
June 20, 2024	300,000	300,000	0.34	2.10	
July 11, 2024	900,000	900,000	0.35	2.10	
February 17, 2025	585,000	585,000	0.28	2.80	
July 24, 2025	50,000	50,000	0.27	3.20	
October 26, 2025	235,000	235,000	0.23	3.40	
February 19, 2026	990,000	660,000	0.29	3.80	
June 11, 2026	300,000	100,000	0.30	4.10	
March 15, 2027	775,000	258,334	0.17	4.80	
	<b>5,365,000</b>	<b>4,318,334</b>			
<b>Outstanding deferred stock units:</b>					333,490
<b>Outstanding warrants and broker warrants:</b>					655,164
Average exercise price of:					\$0.300
Average remaining life of:					1.00 years
Expiry date	Number	Exercise price	Remaining life		
		\$	(years)		
May 3, 2023	431,164	0.30	1.00		
May 5, 2023	216,000	0.30	1.00		
May 18, 2023	8,000	0.30	1.00		
	<b>655,164</b>				

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## RISK 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 business, results of operations or financial condition could be adversely affected in a material manner.

### Financial instrument risks

Please refer to Note 20 of the audited annual financial statements for the year ended January 31, 2022, for a summary of the Company's financial instruments risks.

### COVID-19

Since the 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 circumstances have increased business uncertainties and have heightened risk levels to operating businesses.

The Company shut down site activities on March 13, 2020 in accordance with provincial requirements as issued by Québec Government and Health Canada/Santé Québec. The Company re-commenced on-site activities in June 2020 and is continuing to further the Company's objectives during this uncertain and rapidly evolving time and is following the recommendations of Québec Government and Health Canada/Santé Québec. There was no material impact on the Company's operations at the date of these financial statements identified by management.

The Company has put in place a rigorous protocol, in accordance with INSPQ (Institut national de santé publique du Québec) and CNESST (Commission des normes, de l'équité, de la santé et de la sécurité du travail) guidelines, to ensure the protection of all stakeholders in the region in the context of the COVID-19 pandemic.

### Russia/Ukraine conflict

The increasing tensions related to the ongoing conflict between Russia and Ukraine, and economic sanctions imposed in relation thereto, have contributed to additional volatility in commodity prices. The effect of this global event cannot accurately be predicted.

### 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.

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 projects**

While the Company has diligently investigated title to the various projects in which it has an interest, and to the best of its knowledge, titles 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 whether or not the Company will participate in any project or opportunity,

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 payment obligations. All projects in Eeyou Istchee James Bay territory are 100% owned and the only financial obligations 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 Customs and Revenue Agency

No assurance can be made that Canada Customs and 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).

## CERTIFICATION OF ANNUAL FILINGS

The Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Annual Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the annual financial statements and the annual MD&A (together, the "annual filings") of the Company for the year ended January 31, 2022.
- Based on their knowledge, having exercised reasonable diligence, the Chief Executive Officer and the Chief Financial Officer confirm that the annual filings do not contain any untrue statement of a material

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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, for the period covered by the annual filings.

- Based on their knowledge, having exercised reasonable diligence, the Chief Executive Officer and the Chief Financial Officer confirm that the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the annual filings.