

QUEBEC SILICA RESOURCES CORP.

Management's Discussion and Analysis
For the Year Ended September 30, 2021

Background and Corporate Update

Quebec Silica Resources Corp. (the "Company") was incorporated on May 22, 2018 pursuant to the Business Corporations Act (British Columbia). On April 1, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission and on April 28, 2021, the Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under the symbol 'QTZ'.

The Company's principal business activities include the acquisition and exploration of mineral resource properties. The Company has one contiguous exploration property located in south-western Quebec totaling approximately 923 hectares known as the Charlevoix Silica Project.

The office of the Company is located at 1100 – 1111 Melville Street, Vancouver, BC, V6E 3V6.

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition for the Company should be read in conjunction with the Company's audited financial statements for the years ended September 30, 2021 and 2020 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise stated.

Additional information about the Company may be found on SEDAR at www.sedar.com.

The effective date of this MD&A is January 27, 2022.

Forward-Looking Statements

Certain statements contained in the MD&A may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company's business plans focussed on the exploration and development of its mineral properties; proposed work programs on its mineral properties; costs and timing of future exploration and development activities; timing and receipt of approvals, consents and permits under applicable legislation; use of available funds and ability for the Company to raise additional funds; business objectives and milestones; and adequacy of financial resources. A more detailed discussion of forward-looking statements is included in the Company's Prospectus dated March 31, 2021. Readers are cautioned not to place undue reliance on forward-looking statements.

Risks and Uncertainties

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, limited operating history, speculative nature of mineral exploration, dilution, mineral titles, loss of interest in properties, permits and government regulations, environmental and

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safety regulations and risks, fluctuating mineral prices, financing risks and competition. A more detailed discussion of these risk factors is included in the Company's Prospectus dated March 31, 2021.

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

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

Exploration and Evaluation Properties

Charlevoix Silica Project

On August 10, 2020, the Company entered into an agreement with Macdonald Mines Exploration Ltd. for the purchase of 6 mineral claims, referred to as the Charlevoix Property, covering an estimated 346.95 hectares located in south-western Quebec, Canada.

The agreement provided for the purchase of these claims in consideration of 1,000,000 common shares of the Company. On February 2, 2021, the Company issued the 1,000,000 common shares to complete the acquisition.

On April 26, 2021, the Company entered into an agreement with a group of arm's length parties to acquire a 100% interest in seven contiguous mining claims covering a total area of 404.81 hectares located near the Charlevoix Property in the Lac-Pikauba Municipality of the Province of Quebec, Canada.

The agreement provided for the purchase of these claims in consideration of 4,000,000 common shares of the Company. Certain sellers will retain a 2.0% net smelter royalty ("NSR") from any future production. The Company has the right to reduce the 2.0% NSR to a 1.0% NSR by paying \$1,000,000.

On October 8, 2021, the Company entered into an agreement with an arm's length party to expand its Charlevoix property by acquiring a 100% interest in certain adjacent mineral claims. These newly acquired claims consist of three contiguous mining claims covering a total area of approximately 173 hectares and are located between the previously acquired Charlevoix properties. The addition of the new claims creates a contiguous land package totaling approximately 923 hectares which will be referred to as the "Charlevoix Silica Project" going forward.

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The agreement provided for the purchase of these claims in consideration of the following payments:

- i) paying \$5,000 in cash (paid subsequent to September 30, 2021);
- ii) issuing 50,000 common shares (issued subsequent to September 30, 2021);
- iii) issuing 50,000 common share purchase warrants (issued subsequent to September 30, 2021), with each warrant entitling the holder to acquire one additional common share, at an exercise price of \$0.15 per share, for a period of 60 months;
- iv) paying \$5,000 in cash by October 8, 2022;
- v) issuing 50,000 common shares by October 8, 2022 (issued subsequent to September 30, 2021); and
- vi) issuing by October 8, 2022 an additional 50,000 warrants upon the same terms and conditions as those issued in point (iii) above (issued subsequent to September 30, 2021).

The seller will retain a 1.5% net process royalty ("NSR") from any future commercial production on these claims. The Company has the right to reduce the 1.5% NSR to a 0.75% NSR by paying \$750,000.

Cumulative exploration expenditures on the Charlevoix Silica Project are as follows:

	Year ended September 30, 2021	Year ended September 30, 2020	Cumulative Expenditures
Acquisition Costs			
Mineral claim acquisition costs	\$ 450,357	\$ -	\$ 450,357
Exploration Costs			
Geological field work	-	73,431	73,431
Mobilization and de-mobilization	-	17,692	17,692
Technical report writing	5,338	11,038	16,376
	5,338	102,161	107,499
Total exploration & evaluation expenditures	\$ 455,695	\$ 102,161	\$ 557,856

The Company provided updates on its exploration program on the Charlevoix Silica Project in news releases dated October 27, November 11, and November 24, 2021. The October 27 news release reported that an airborne UAV magnetic survey had been completed over the project. The November 24 news release reported that a site reconnaissance on the Charlevoix Silica Project had been completed and that a high-level environmental assessment had begun. The samples recovered from the property during the site reconnaissance are being analyzed at the Applied Geoscience Laboratory at the Institut National de la Recherche Scientifique. The samples will undergo granulochemical, mineragraphic and mineralogical analyses and geometallurgical studies planned for Winter 2021- 2022. These samples will be used to verify and optimize the processes of SiO₂ (silica) enrichment and elimination of impurities (such as Fe-Ti and Al) to produce high purity silica. Gravimetric, magnetic (low and high intensity) and electrostatic methods will be used, among others, to optimize the SiO₂ enrichment process. The purpose of these studies is to determine the suitability of the material for use in the technology industry and the optimal techniques to refine the product.

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Selected Annual Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Financial Results			
Net loss	\$ (676,433)	\$ (131,564)	\$ (70,416)
Basic and diluted loss per share	\$ (0.03)	\$ (0.03)	\$ (0.02)
Financial Position			
Working capital	\$ 675,981	\$ 516,655	\$ 22,627
Total assets	\$ 692,697	\$ 738,398	\$ 42,958

During Fiscal 2021, the Company completed its CSE listing and, in two transactions, acquired claims in the Charlevoix Silica Project. The Company issued 5,000,000 common shares with a value of \$450,000 for these mineral claims. The Company further expanded the Charlevoix Silica Project with the acquisition of additional claims in October 2021. The start of exploration and evaluation operations as well as completing the CSE listing resulted in a significant increase in administrative expenditures.

During Fiscal 2020, the Company carried out an initial sampling, mapping and VLF-EM geophysical survey on properties that would later form part of the Charlevoix Silica Project.

During Fiscal 2019, the Company was investigating potential business opportunities.

Selected Quarterly Information

The following table presents selected financial information for each of the last eight fiscal quarters:

Fiscal Quarter Ended	Expenses - Exploration	Expenses - G&A	Net Loss	Loss per Share	Working Capital (Deficit)
September 30, 2021	\$ -	\$ 35,321	\$ (35,321)	\$ -	\$ 675,981
June 30, 2021	\$ 400,000	\$ 95,797	\$ (495,797)	\$ (0.02)	\$ 711,302
March 31, 2021	\$ 50,358	\$ 70,757	\$ (121,115)	\$ (0.01)	\$ 775,399
December 31, 2020	\$ 5,337	\$ 18,863	\$ (24,200)	\$ -	\$ 846,514
September 30, 2020	\$ 102,161	\$ 18,326	\$ (120,487)	\$ (0.03)	\$ 516,655
June 30, 2020	\$ -	\$ 839	\$ (839)	\$ -	\$ 11,550
March 31, 2020	\$ -	\$ 2,001	\$ (2,001)	\$ -	\$ 12,389
December 31, 2019	\$ -	\$ 8,237	\$ (8,237)	\$ -	\$ 14,390

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Expenditures/loss incurred for the quarters ended December 31, 2019 through June 30, 2020 are reflective of the Company's business investigations operations.

Starting with the quarter ended September 30, 2020, the expenditures/loss have steadily increased as the Company acquired mineral claims and began the process of listing its common shares on the CSE.

The expenditures/loss for the quarter ended June 30, 2021 was the most active quarter for the Company as it purchased \$400,000 worth of mineral claims and completed the CSE listing requirements. The Company also recognized \$31,700 of share-based payments pursuant to the granting of 2,600,000 stock options during the quarter.

Results of Operations

For the year ended September 30, 2021, the Company reported a loss of \$676,433 (2020 - \$131,564). The Company's loss per share was \$0.03 (2020 - \$0.03). The significant components of the loss were:

- Consulting and management fees were \$44,500 (2020 - \$nil) for \$32,000 of fees paid the CEO and CFO and \$12,500 for corporate advisory services.
- Regulatory, transfer agent and filing fees were \$32,063 (2020 - \$nil) and consisted of \$26,313 for CSE listing fees and securities commissions fees, and \$5,750 for transfer agent fees.
- General and administrative expenses were \$34,558 (2020 - \$1,709) and consisted principally of directors and officers liability insurance, administrative fees, and rent.
- Professional fees were \$65,603 (2020 - \$27,694) and were composed of \$26,859 (2020 - \$15,000) of accounting and audit fees and \$38,744 (2020 - \$12,694) of legal fees. These fees were higher in 2021 as a result of costs incurred to become a reporting issuer and seek a listing on the CSE.
- The Company incurred \$31,700 (2020 - \$nil) for share-based payments. These share-based payments were the result of granting 2,600,000 stock options during the year. These stock options vested immediately upon grant.
- Exploration and evaluation expenditures were \$455,695 (2020 - \$102,161) and consisted of the \$50,000 purchase of the six Charlevoix mineral claims through the issuance of 1,000,000 common shares and \$5,338 for technical report writing, and the \$400,000 purchase of seven additional Charlevoix mineral claims through the issuance of 4,000,000 common shares.

Fourth Quarter Operations

For the three months ended September 30, 2021 (Q4/2021), the Company incurred a loss of \$35,321 compared to a loss of \$120,487 for the three months ended September 30, 2020 (Q4/2020). Significant expenditures and discrepancies incurred between Q4/2021 and Q4/2020 are as follows:

- The Company incurred \$nil (Q4/2020 - \$102,161) of exploration and evaluation expenditures during Q4/2021. The Company carried out an initial sampling, mapping and VLF-EM geophysical survey on the Charlevoix Silica Project during Q4/2020.

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- The Company incurred \$12,731 (Q4/2020 - \$18,192) of professional fees during Q4/2021. Professional fees were higher in Q4/2020 as the Company was preparing to audit three years of financial information in preparation to listing its shares on the CSE.
- The Company incurred \$8,000 (Q4/2020 - \$nil) of management fees and consisted of \$5,000 paid to the CEO and \$3,000 paid to the CFO.
- The Company incurred \$5,034 (Q4/2020 - \$nil) of corporate development expenses consisting of travel expenditures during Q4/2021 as management visited the Charlevoix Silica Project as well as current and potential investors in Quebec.

Financial Condition, Liquidity and Capital Resources

The Company's working capital position as at September 30, 2021 was \$675,981 compared to \$516,655 as at September 30, 2020.

Sources of cash for the Company for the year ended September 30, 2021 included \$238,369 of net proceeds raised through the issuance of special warrants.

Uses of cash by the Company for the year ended September 30, 2021 included \$284,124 for operating activities.

The following transactions occurred subsequent to September 30, 2021:

- i) The Company granted of 550,000 incentive stock options to certain directors, officers, employees, and consultants of the Company at an exercise price of \$0.20 expiring two years from date of grant.
- ii) The Company issued 335,000 common shares at \$0.10 per share pursuant to the exercise of 335,000 warrants.
- iii) The Company closed a private placement by issuing a total of: (i) 6,175,000 units (each, a "Unit"), at a price of \$0.16 per Unit; and (ii) 4,537,500 flow-through shares (each, a "FT Share"), at a price of \$0.20 per FT Share for aggregate gross proceeds of \$1,895,500.

Each Unit is comprised of one common share ("Common Share") and one-half (1/2) of a Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of \$0.20 for a period of two (2) years from the closing date (the "Closing Date") of the private placement. The FT Shares will qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada).

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

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International Financial Reporting Standards – Changes in Accounting Policies

Refer to note 2 of the September 30, 2021 financial statements.

Financial Instruments

Refer to notes 3 and 9 of the September 30, 2021 financial statements.

Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Related Party Transactions

During the year ended September 30, 2021, the Company incurred the following transactions with key management and directors and entities related to key management and directors the normal course of operations:

- paid \$17,000 for management fees to Waldo Sciences Inc., a private company controlled by Ray Wladichuk;
- paid \$15,000 for management fees to Lycan Capital Corp., a private company controlled by Elyssia Patterson;
- granted 300,000 stock options to Ray Wladichuk with an exercise price of \$0.10 per option expiring on April 4, 2023;
- granted 300,000 stock options to Elyssia Patterson with an exercise price of \$0.10 per option expiring on April 4, 2023;
- granted 125,000 stock options to Aeron Kawakami with an exercise price of \$0.10 per option expiring on April 4, 2023; and
- granted 125,000 stock options to Ming Jang with an exercise price of \$0.10 per option expiring on April 4, 2023.

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Outstanding Share Data

As at January 27, 2022, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common shares	45,381,501	n/a	n/a
Stock options	2,600,000	\$ 0.10	April 23, 2023
Stock options	550,000	\$ 0.10	October 27, 2023
Warrants	60,000	\$ 0.05	September 23, 2022
Warrants	839,000	\$ 0.05	October 19, 2022
Warrants	6,015,000	\$ 0.10	January 23, 2023
Warrants	3,250,000	\$ 0.10	February 19, 2023
Warrants	300,000	\$ 0.10	March 3, 2023
Warrants	213,500	\$ 0.10	April 1, 2023
Warrants	3,944,500	\$ 0.20	December 21, 2023
Warrants	100,000	\$ 0.15	October 28, 2026
Fully Diluted	63,253,501		

Directors and Officers

Ray Wladichuk	Director and CEO
Aeron Kawakami	Director
Ming Jang	Director
Elyssia Patterson	CFO