

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JUNE 30, 2022

Background and Corporate Update

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) for Quebec Silica Resources Corp. (the “Company”) is prepared as at August 17, 2022 and should be read in conjunction with both the Company’s unaudited condensed interim financial statements for the three- and nine-month periods ended June 30, 2022 and with its audited financial statements as at and for the year ended September 30, 2021.

The unaudited condensed interim financial statements for the three- and nine-month periods ended June 30, 2022, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard (“IFRS”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

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.

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 CSE under the symbol ‘QTZ’.

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 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.

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JUNE 30, 2022

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 (issued) 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.

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

- i) paying \$5,000 in cash (paid);
- ii) issuing 50,000 common shares (issued);
- iii) issuing 50,000 common share purchase warrants (issued), 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); 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).

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.

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JUNE 30, 2022

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

	Nine-months ended		Cumulative expenditures to June 30, 2022
	June 30, 2022	2021	
Acquisition Costs			
Mineral claims - cash	\$ 5,000	\$ 50,357	\$ 55,357
Mineral claims - common shares (note 5b)	16,500	400,000	416,500
Mineral claims - warrants (note 6a)	10,900	-	10,900
	32,400	450,357	482,757
Exploration Costs			
Equipment & supplies	2,613	-	2,613
Food & Lodging	3,319	-	3,319
Geological field work	158,681	-	249,804
Geophysics	269,572	-	269,572
Technical report writing	-	5,338	16,375
Tranportation	7,136	-	7,136
	441,320	5,338	548,819
Total exploration & evaluation expenditures	\$ 473,720	\$ 455,695	\$ 1,031,576

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 27th news release reported that an airborne UAV magnetic survey had been completed over the project. The November 24th 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.

In a news release dated January 31, 2022 it was reported that the Company and the Institut National de Recherche Scientifique (“INRS”) have set up a research collaboration project focused on the electrochemical performance of the high-grade silica deposit of the Company’s wholly owned Charlevoix Silica Project. The goal of this partnership will be to evaluate the potential of using silica deposits in applications such as advanced battery technology and assess the environmental impacts of the proposed project.

The research effort, consisting of:

1. High-resolution drone survey to produce a digital terrain model and orthorectified colour imagery. These data will be used for steps in the process such as defining the quartzite formation, environmental assessments and quarry design, and is required as part of the request for a mining lease;
2. Petrophysical study of the quartzite and surrounding host rock to determine optimal geophysical exploration tools;
3. Granulochemical and mineralogical studies of the quartzite to determine the industrial potential of the quartzite;

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JUNE 30, 2022

4. Geometallurgical tests with the aim to optimize the silica purification process;
5. Collection of meteorological data to monitor precipitation and environmental considerations;
6. Installation of wildlife cameras to monitor animal activity within the project footprint.

The Company has engaged Eko Exploration Techniques (“EkoXplor”) to assist with the research, exploration and assessment efforts. EkoXplor has been engaged to assist in planning, permitting, and to execute the next phases of assessment and exploration. The EkoXplor crew is currently cutting trails and lines throughout the densely vegetated property to allow access to perform systematic exploration. As anticipated, the first sets of trails and lines have uncovered numerous outcroppings of quartzite which have not been previously known about or mapped. The EkoXplor field crew will sample these outcroppings, and the samples will be sent to the pilot processing facility and laboratory discussed below for analysis.

The samples collected in the fall of 2021 have been continuously analyzed by team at the INRS. As discussed in the Company's news release dated January 31, 2022, the petrophysical, granulochemical, and geometallurgical data from the said analysis is being used to evaluate the suitability of the quartzite for use in advanced technology such as batteries and to refine the purification process.

Analysis of the Company’s Financial Performance and Condition

The following is a summary of the Company's results for the eight most recently completed quarters (in Canadian dollars (\$)):

	Revenue	Net Loss	Loss per share	Total Assets	Total Liabilities	Working Capital
June 30, 2022	\$nil	209,476	0.00	1,889,446	278,190	1,611,256
March 31, 2022	\$nil	215,812	0.02	2,087,027	310,596	1,776,431
December 31, 2021	\$nil	170,069	0.00	2,443,330	490,986	1,952,344
September 30, 2021	\$nil	35,321	0.00	692,697	16,716	675,981
June 30, 2021	\$nil	495,797	0.02	722,564	11,262	711,302
March 31, 2021	\$nil	121,115	0.01	814,678	39,279	775,399
December 31, 2020	\$nil	24,200	0.00	868,685	22,171	846,514
September 30, 2020	\$nil	120,487	0.03	738,398	221,743	516,655

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JUNE 30, 2022

Nine months ended June 30, 2022

The Company reported a loss of \$595,357 (2021 – \$641,112) and a loss per share of \$0.02 (2021 - \$0.03) for the nine months ended June 30, 2022. The loss was comprised of the following items:

- Exploration and evaluation expenditures were \$473,720 (2021 - \$nil) and consisted of \$269,572 in acquisition costs purchase additional Charlevoix claims and \$157,557 of exploration costs for geophysics and geological field work.
- The Company incurred \$124,200 (2021 - \$31,700) for share-based payments. These share-based payments were the result of granting an aggregate of 1,850,000 stock options during the period vesting immediately upon grant. During the period, the Company revalued the options adjusting for the volatility variable consistent with comparable peers.
- Consulting and management fees were \$38,750 (2021 - \$36,500) and consisted of \$18,000 (2021 - \$12,000) paid to the CEO and \$10,000 (2021 - \$12,000) paid to the CFO for services rendered. The Company also incurred \$10,750 (2021 - \$12,500) for corporate advisory services.
- The Company incurred \$19,657 (2021 - \$3,285) of corporate development expenses consisting of travel, promotion and marketing expenditures in various industry related conferences during the year.
- General and administrative expenses were \$47,139 (2021 - \$32,147) and consisted principally of administrative fees and office rent.
- Professional fees were \$47,352 (2021 - \$52,872) and consisted of \$18,830 (2021 – \$38,744) of legal fees and \$28,522 in accounting fees (2021 - \$14,128).
- Regulatory, transfer agent and filing fees were \$17,405 (2021 - \$28,913) and consisted of monthly CSE listing fees and transfer agent fees. The increased cost in the prior year can be attributed to fees attributed to the Company's initial listing application to the CSE.
- During the period, the Company incurred eligible exploration expenditures and amortized \$172,866 (2021 - \$nil) of the flow-through premium liability to income on a pro-rata basis.

Three months ended June 30, 2022

The Company reported a loss of \$209,476 (2021 – \$495,797) and a loss per share of \$0.00 (2021 - \$0.01) for the three-months ended June 30, 2022. The loss was comprised of the following items:

- Exploration and evaluation expenditures were \$183,916 (2021 - \$nil) and consisted of mainly of \$124,106 incurred in exploration for geophysics and geological field work. The Company did incur \$400,000 in pre-exploration work in the three months ended June 30, 2021. These costs were related to the issuance of 4,000,000 common shares of the Company for the mineral claims.
- The Company incurred \$44,300 (2021 - \$31,700) for share-based payments. During the period, the Company revalued the options adjusting for the volatility variable consistent with comparable peers.
- Consulting and management fees were \$9,750 (2021 - \$nil) and consisted primarily of \$6,000 and \$300 paid to the CEO and CFO respectively for services rendered.
- General and administrative expenses were \$20,521 (2021 - \$26,589) and consisted principally of administrative fees and office rent.
- Professional fees were \$12,966 (2021 - \$16,099) and consisted of \$966 (2021 – \$13,924) for legal fees and \$12,000 (2021 - \$2,175) for accounting and audit fees. The fees were higher in 2021 as a result of increased business activity in listing the Company on a recognized exchange.
- Regulatory, transfer agent and filing fees were \$3,418 (2021 - \$18,124) and consisted of monthly CSE listing fees and transfer agent fees. The increased cost in the prior year can be attributed to fees attributed to the Company's initial listing application to the CSE.

QUEBEC SILICA RESOURCES CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JUNE 30, 2022

- During the period, the Company incurred eligible exploration expenditures and amortized \$77,687 (2021 - \$nil) of the flow-through premium liability to income on a pro-rata basis.

Liquidity and Capital Resources

As at June 30, 2022, the Company's cash position was \$1,695,251 (September 30, 2021 - \$685,143) to settle current liabilities of \$278,190 (September 30, 2021 - \$16,716). The Company had working capital of \$1,611,256 (September 30, 2021 - \$675,981). The increase in cash and resulting working capital can be attributed to cash proceeds from the issuance of its common shares.

During the nine months ended June 30, 2022, sources of cash for the Company included net proceeds of \$1,764,719 raised through the issuance of common shares.

During the nine months ended June 30, 2022, uses of cash by the Company included \$754,611 for operating activities.

On October 27, 2021, the Company granted 550,000 incentive stock options to certain directors, officers and consultants of the Company at an exercise price of \$0.20 for a period of two years from the date of grant.

On January 31, 2022, the Company granted 1,100,000 incentive stock options to certain directors, officers and consultants of the Company at an exercise price of \$0.075 for a period of two years from the date of grant.

On March 17, 2022, the Company granted 200,000 incentive stock options to certain directors, officers and consultants of the Company at an exercise price of \$0.09 for a period of two years from the date of grant.

Related Party Transactions

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

Directors and Officers

On March 17, 2022, the Company announced the appointment of Patrick Levasseur to the Company's Board of Directors. Mr. Levasseur is currently an independent board member of HPQ Silicon Resource Corp. (TSXV: HPQ) as well as President & CEO of Beauce Gold Fields (TSXV: BGF). Additionally, Patrick has ten years of capital markets experience with various Canadian Securities firms.

On March 17, 2022, the Company accepted the resignation of Aeron Kawakami from the Company's Board of Directors.

As at June 30, 2022 and the date of this MD&A, the Company's Directors and Officers are as follows:

Raymond Wladichuk	Director and CEO
Patrick Levasseur	Director
Ming Jang	Director
Elyssia Patterson	CFO