

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

Background and Corporate Update

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) for Quebec Innovative Materials Corp. (formerly Quebec Silica Resources Corp.), (the “Company”) is prepared as at August 28, 2024 and should be read in conjunction with both the Company’s unaudited condensed interim financial statements for the three- and nine-month period ended June 30, 2024 and with its audited financial statements as at and for the year ended September 30, 2023.

On January 11, 2023, the Company changed its name from Quebec Silica Resources Corp. to Quebec Innovative Materials Corp. The Company’s common shares currently trades under the symbol “QIMC” on the Canadian Securities Exchange (“CSE”).

The unaudited condensed interim financial statements for the three- and nine-month period ended June 30, 2024, 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”).

The Company’s principal business activities include the acquisition and exploration of mineral resource properties.

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars.

Forward-Looking Statements

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company’s control, including but not limited to: general economic and business conditions; cash flow projections; currency fluctuations; risks relating to our ability to obtain adequate financing for future activities; risks related to government regulations, including environmental regulations and other general market and industry conditions as well as those factors discussed in each management discussion and analysis, available on SEDAR at www.sedarplus.ca.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company’s actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, the ability to attract and retain skilled staff and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

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 and can be found on www.sedarplus.ca.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

Exploration and Evaluation Properties

A summary of the Company's exploration and evaluation expenditures for the nine-month period ended June 30, 2024 is as follows:

	Charlevoix Silica Project	Roncevaux and Martinville Property	Ville Marie Project	River Valley Silica Project	Nine-months ended June 30, 2024
Exploration Costs					
Equipment & supplies	\$ 100,100	\$ 9,864	\$ 100	\$ 26,836	\$ 136,900
Food & lodging	20,894	-	-	4,195	25,089
Geological field work	102,281	-	-	120,442	222,723
Transportation	11,285	-	-	-	11,285
Total exploration and evaluation expenditures	\$ 234,560	\$ 9,864	\$ 100	\$ 151,473	\$ 395,997

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 1,000,000 common shares with a fair value of \$50,000 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. On April 26, 2021, the Company issued the 4,000,000 common shares with a fair value of \$400,000 to complete the acquisition. 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.

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

On October 8, 2021, the Company entered into an agreement with an arm's length party to acquire a 100% interest in certain additional mineral claims located adjacent to its original Charlevoix properties. 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 100,000 common shares (issued) with 50,000 of these common shares restricted from trading until October 8, 2022;
- iii) issuing 100,000 common share purchase warrants (issued) with 50,000 of these warrants restricted from exercising until October 9, 2022. Each warrant entitles 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 (paid).

The fair value of the 100,000 common share purchase warrants, with an exercise price of \$0.15, was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.44%, a dividend yield of nil, an expected annual volatility of the Company's share price of 125%, an expected life of 5 years, and a spot price of \$0.15. The fair value of the warrants was \$0.127 per warrant. The expected volatility assumption was based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate was based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

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.

Roncevaux and Martinville Property

On August 30, 2022, the Company entered into a property acquisition agreement with HPQ Silicon Inc. ("HPQ") for the purchase of two property interests covering 63 designated cells (Claims) covering and an estimated 3,730 hectares.

The Roncevaux Property is located in the Matapedia region of Gaspé, about 75 km south of Causapsca and is made up of 27 map designated cells (Claims) covering a total of 1,551 hectares available for exploration. The Martinville Property is located in the Eastern Township, 180 km east of Montreal, 30 km south of Sherbrooke and is made up of 36 map-designated cells (Claims) covering a total of 2,179 hectares available for exploration.

Under the terms of the arm's length transaction, the Company has issued 3,000,000 Acquisition Units to HPQ. Each Acquisition Unit is comprised of one Acquisition Share and one-half of an Acquisition Warrant, with each whole Acquisition Warrant entitling HPQ to acquire one common share at a price of \$0.15 for a period of three years expiring August 30, 2025.

Ville Marie Project

On November 7, 2022, the Company entered into a property purchase agreement with Charlevoix Silica Inc. ("CSI") for the purchase of 100% interest in three mineral properties, referred to as the Ville Marie Project located in

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

Quebec. Under the terms of the transaction, the Company issued 5,000,000 common shares of the Company at \$0.055 per share.

The royalty agreement within the PPA included the granting of a 1% royalty to CSI on gross revenues from the sale of pure hydrogen arising from the lands underlying the property. At the time the Company entered into the PPA, the transaction was considered arms-length as John Karagiannidis was not considered a related party of the Company at that time. Charlevoix Silica Inc. is a company controlled by John Karagiannidis.

River Valley Project

On September 1, 2023, the Company entered into a property purchase agreement for the purchase of 100% interest in three mineral properties, referred to as the River Valley Project located in Quebec. Under the terms of the arm's length transaction, the Company issued 2,000,000 common shares of the Company at \$0.04 per share.

The Company also entered into a royalty agreement whereby a royalty on the gross revenues from the sale of raw quartz, silica or any other mineral product from the Property equal to \$2.50 per ton of raw quartz, silica or any other mineral product sold will be paid.

Analysis of the Company's Financial Performance and Condition

The following is a summary of the Company's results for the eight most recently completed quarters:

	Revenue \$	Net Loss \$	Loss per share \$	Total Assets \$	Total Liabilities \$	Working Capital \$
June 30, 2024	Nil	187,822	0.00	554,985	90,899	464,086
March 31, 2024	Nil	15,780	0.00	195,147	147,892	47,255
December 31, 2023	Nil	418,044	0.01	187,399	124,365	63,034
September 30, 2023	Nil	663,466	0.01	735,311	254,232	481,079
June 30, 2023	Nil	291,653	0.00	1,229,026	273,782	955,244
March 31, 2023	Nil	203,968	0.00	1,475,524	228,627	1,246,897
December 31, 2022	Nil	805,773	0.01	2,048,407	570,067	1,478,340
September 30, 2022	Nil	638,036	0.02	1,488,625	260,905	1,227,720

Three-months ended June 30, 2024

The Company reported a loss of \$187,822 (2023 – \$291,654) and a loss per share of \$0.00 (2023 - \$0.00) for the three-months ended June 30, 2024. The loss was comprised of the following items:

- Exploration and evaluation expenditures were \$540 (2023 - \$213,964). A summary of the expenditures can be found in Note 4 of the Company's June 30, 2024 condensed interim financial statements. The decrease

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

in expenditures can be attributed to the Company's current focus on the Ville Marie Project with exploration activities planned for July 2024.

- Management fees were \$32,750 (2023 - \$27,600) and consisted primarily of:
 - \$nil (2023-\$5,600) paid to the former CEO of the Company,
 - \$nil (2023-\$1,000) paid to the former CFO of the Company,
 - \$nil (2023-\$9,000) paid to the former COO of the Company,
 - \$19,250 (2023 - \$nil) paid to the CEO of the Company,
 - \$10,500 (2023-\$9,000) paid to the CFO of the Company and,
 - \$3,000 (2023 - \$3,000) paid to the independent directors of the Company.
- General and administrative expenses were \$532 (2023 - \$16,487) and consisted principally of administrative fees and general office related costs. Costs were higher in prior comparative period as the Company was active in securing financing.
- Professional fees were \$19,500 (2023 - \$15,292). These costs were consisted of \$7,500 (2023 - \$12,500) for accounting and audit fees and \$12,000 (2023 - \$3,292) for legal fees.
- Regulatory, transfer agent and filing fees were \$9,182 (2023 - \$2,685) and consisted of monthly CSE listing fees and transfer agent fees.
- The Company incurred share-based payments of \$116,100 (2023 - \$nil) on the granting of 5,050,000 stock options. As the Company was actively recruiting a management team, the Company incurred these share-based incentives to attract qualified candidates.

Nine-months ended June 30, 2024

The Company reported a loss of \$621,646 (2023 - \$1,301,395) and a loss per share of \$0.01 (2023 - \$0.03) for the nine-months ended June 30, 2024. The loss was comprised of the following items:

- the Company recognized a Quebec exploration tax credit of \$150,348 (2023 - \$nil). The refundable mineral tax credit is offered to companies for eligible expenditures incurred while operating in the Province of Quebec.
- Exploration and evaluation expenditures were \$395,592 (2023 - \$988,826). A summary of the expenditures can be found in Note 5 of the Company's June 30, 2024 condensed interim financial statements.
- Management fees were \$73,750 (2023 - \$61,600) and consisted primarily of
 - \$6,000 (2023-\$19,600) paid to the former CEO of the Company,
 - \$nil (2023-\$11,000) paid to the former CFO of the Company,
 - \$nil (2023-\$21,000) paid to the former COO of the Company,
 - \$27,250 (2023-\$nil) paid to the CEO of the Company,
 - \$31,500 (2023-\$7,000) paid or accrued to the CFO of the Company and,
 - \$9,000 (2023 - \$3,000) paid to the independent directors.
- General and administrative expenses were \$45,856 (2023 - \$96,072) and consisted principally of administrative fees and general office related costs. Costs were higher in the comparative period as the Company was active in securing financing.
- Professional fees were \$40,559 (2023 - \$41,421) and consisted of \$12,000 (2023 - \$19,637) for legal fees and \$28,559 (2023 - \$21,784) for accounting and audit fees. The legal fees are higher in the current year as the Company was active in various due diligence activities.
- Regulatory, transfer agent and filing fees were \$17,052 (2023 - \$24,878) and consisted of monthly CSE listing fees and transfer agent fees.
- The Company incurred share-based payments of \$116,100 (2023 - \$nil) on the granting of 5,050,000 stock options. As the Company was actively recruiting a management team, the Company incurred these share-based incentives to attract qualified candidates.

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

Securities Outstanding

On May 23, 2024, the Company closed a non-brokered private placement (the “Offering”) by issuing 17,500,000 units of the Company (the “Units”) at a price of \$0.03 per Unit for gross proceeds of \$525,000.

Each Unit consists of one common share in the capital of the Company (each a “Common Share”) and one common share purchase warrant (each a “Warrant”), with each Warrant entitling the holder to acquire one additional Common Share for a period of 24 months from closing at an exercise price of \$0.05.

In connection with the Offering, the Company paid finder’s fees in the amount of \$32,288 and has issued 1,076,250 finder warrants (each a “Finder Warrant”) of which \$30,263 was paid to, and 1,008,750 finder warrants were issued to EMD Financial Inc., a company in which the CEO of the Company serves as an agent. Each Finder Warrant entitles the holder to acquire one additional Common Share for a period of 24 months from closing at an exercise price of \$0.05.

Of the 17,500,000 Units issued, 14,375,000 Units (proceeds of \$431,250) were issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions (the “Listed Issuer Financing Exemption” or “LIFE”), and 3,125,000 Units (proceeds of \$93,750) were issued to Quebec residents to subscribe for Units in reliance upon the “accredited investor” prospectus exemption set out in Quebec Regulation 45-106 respecting Prospectus Exemptions.

The Units offered under the LIFE will not be subject to resale restrictions pursuant to applicable Canadian securities laws. All other securities issued pursuant to the Offering, including the Units which may be distributed to the CEO of the Company and certain other Quebec residents, will be subject to the statutory hold period of four months and one day from the date of issuance in accordance with applicable Canadian securities laws.

As at June 30, 2024, the Company had 93,409,001 common shares issued and outstanding.

Subsequent to the period ended June 30, 2024, the Company issued 1,390,000 common shares of the Company on the exercise of 1,390,000 warrants with a weighted average exercise price of \$0.057 per warrant.

As at the date of this MD&A, the Company had 94,799,001 common shares issued and outstanding.

As at June 30, 2024, the Company had 30,728,750 warrants, with a weighted average exercise price of \$0.06 per warrant, exercisable and outstanding.

Subsequent to the period ended June 30, 2024, the Company issued 1,390,000 common shares of the Company on the exercise of 1,390,000 warrants with a weighted average exercise price of \$0.057 per warrant.

As the date of this MD&A, the Company had 29,338,750 warrants, with a weighted average exercise price of \$0.06 per warrant, exercisable and outstanding.

On June 27, 2024, the Company granted 5,050,000 incentive stock options to directors, officers and consultants at an exercise price of \$0.05 per option. The stock options expire on June 27, 2026 and vested immediately upon grant.

As at June 30, 2024 and the date of this MD&A, there were 9,750,000 stock options, with a weighted average exercise price of \$0.05 per option, exercisable and outstanding.

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

Liquidity and Capital Resources

As at June 30, 2024, the Company's cash position was \$502,942 (September 30, 2023 - \$612,779) to settle trade liabilities of \$90,899 (September 30, 2023 - \$234,647). The Company had working capital of \$464,086 (September 30, 2023 - \$481,079).

During the nine-month period ended June 30, 2024, uses of cash by the Company included \$590,190 for operating activities.

Related Party Transactions

Refer to Note 8 of the June 30, 2024 condensed interim financial statements.

Additional Sources of Information

Additional information relating to Quebec Innovative Materials Corp. (formerly Quebec Silica Resources Corp.) can be found on the Company's website at www.qimaterials.com or on the SEDAR Plus website at www.sedarplus.ca.

Directors and Officers

During the three-month period ended June 30, 2024, the shareholders of the Company at its Annual General Meeting held on June 19, 2024, elected three new individuals to serve on the Board of Directors:

Jakson Inwentash

Mr. Inwentash is a director and VP Investments at ThreeD Capital Inc., where he focuses on identifying, researching, and meeting with early stage companies in various disruptive industries. Mr. Inwentash is also a registered Dealer Representative and has a successful track record of raising capital in industries such as mining, battery recycling, organic food, high performance computing, biotechnology and blockchain.

Mr. Inwentash has significant capital markets experience and serves an advisor to, and a board member of, several private and publicly listed companies.

John Karagiannidis

Mr. Karagiannidis is an MBA graduate of the Ivey Business School (University of Western Ontario), LL.B from the University of Montréal and is a member of the Québec Bar Association. He is also currently a dealing representative with EMD Financial Inc. ("EMD"). Prior to EMD, Mr. Karagiannidis had worked at Marquest Capital Markets, Industrial Alliance Securities, and Desjardins Securities.

Mr. Karagiannidis had previously served as President and CEO of the Company prior to his appointment as a director.

Marianne Richer-Lafleche

Ms. Richer-Lafleche is a graduate of Université Laval. She has acted as director and corporate secretary for several organizations, including the Fondation du Collège Jésus-Marie de Sillery, Prima Danse Events, Théâtre Lirychorégra 20 and is currently a member of the board of directors of the École des entrepreneurs

QUEBEC INNOVATIVE MATERIALS CORP.
(formerly Quebec Silica Resources Corp.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE- AND NINE-MONTH PERIODS ENDED JUNE 30, 2024

Ms. Richer-Lafèche is a lawyer at BCF Montréal office, where she specializes in mergers and acquisitions, investment funds, corporate governance and commercial contract drafting. Prior to joining BCF, Ms. Richer-Lafèche worked at another major Canadian law firm, where she was seconded on two occasions to clients in the financial services and consulting engineering sectors.

Patrick Levasseur did not stand for re-election as a director of the Company.

As at June 30, 2024 and the date of this MD&A, the Company's Directors and Officers are as follows:

Johnny Karagiannidis	Director and CEO
Jakson Inwentash	Director
Marianne Richer-Lafèche	Director
Lisa Thompson	Director
Hani Zabaneh	Director
Ming Jang	CFO