MANAGEMENT'S DISCUSSION AND ANALYSIS OF QUEBEC RARE EARTH ELEMENTS CORP. (FORMERLY METALLICA METALS CORP.)

FOR THE YEAR ENDED APRIL 30, 2024

(Expressed in Canadian Dollars)

This management's discussion and analysis ("MD&A") provides an analysis of the financial situation and operations of Quebec Rare Earth Elements Corp. (formerly Metallica Metals Corp.) ("QREE", "Corporation") for the year ended April 30, 2024. This report was prepared in compliance with the provisions of Form 51-102, prepared and approved by the Board of Directors as at August 28, 2024.

The Corporation's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All monetary amounts included in this MD&A are expressed in Canadian dollars, the Corporation's reporting, and functional currency, unless otherwise noted.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Corporation. Additional information relevant to the Corporation's activities can be found on SEDAR+ at www.sedarplus.ca.

ABBREVIATION	PERIOD
Q1-23	May 1, 2022, to July 31, 2022
Q2-23	August 1, 2022, to October 31, 2022
Q2-23	May 1, 2022, to October 31, 2022
Q3-23	November 1, 2022, to January 31, 2023
Q4-23	February 1, 2023, to April 30, 2023
Fiscal 23	**May 1, 2022, to April 30, 2023**
Q1-24	May 1, 2023, to July 31, 2023
Q2-24	August 1, 2023, to October 31, 2023
Q2-24	May 1, 2023, to October 31, 2023
Q3-24	November 1, 2023, to January 31, 2024
Q4-24	February 1, 2024, to April 30, 2024
Fiscal 24	**May 1, 2023, to April 30, 2024**

FORWARD-LOOKING INFORMATION

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Corporation's business strategy, plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Corporation's projects. These forward-looking statements involve numerous risks and uncertainties, and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Corporation has applied several material assumptions, including without limitation, the assumptions that: (1) any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) weak commodity prices and general metal price volatility; (2) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (3) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations. The Corporation cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Corporation's forward-looking statements. The Corporation believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Corporation undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Corporation and may not be appropriate for other purposes. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Corporation disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

OVERVIEW

Quebec Rare Earth Elements Corp. (the "Corporation") was incorporated under the Company Act of British Columbia on March 3, 1987. The Corporation is a mining exploration and development company focused on Rare Earth Elements (REE), primarily in the favorable mining jurisdiction of Quebec. The need for REE supply chains outside of China is clear and when combined with fundamental REE demand presents a significant opportunity. The province of Quebec is a premier, stable mining jurisdiction with vast REE exploration potential and has the required infrastructure for all stages of REE development.

On November 20, 2023, a Certificate of Continuance was issued to the Corporation under section 187 of the Canada Business Corporations Acts and the name was changed from Metallica Metals Corp to Quebec Rare Earth Elements Corp. The Corporation's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "QREE" and the Frankfurt Exchange under "41K".

QUALIFIED PERSON STATEMENT

All scientific and technical information contained in this MD&A was prepared and approved by Richard Roy, P.Geo., who is a Qualified Person as defined in NI 43-101. Mr. Roy has verified the scientific and technical information disclosed in this MD&A by reviewing published scientific papers, government reports, and NI 43-101 technical reports related to the Corporation's properties that outline its geology and structure, mineralization potential, deposit style, and past production history.

EXPLORATION ACTIVITIES

The Lynx & Carcajou REE projects are located 90km NW of Saguenay, Quebec (near Lac St-Jean). Saguenay is a major regional hub of 150,000 people with a Regional Airport offering daily flights to Montreal and Quebec City. The Lynx & Carcajou REE projects are accessed via a network of well-maintained gravel and forestry roads which cross both properties.

Figure 1 - Lynx and Carcajou REE projects, Saguenay Area, QC

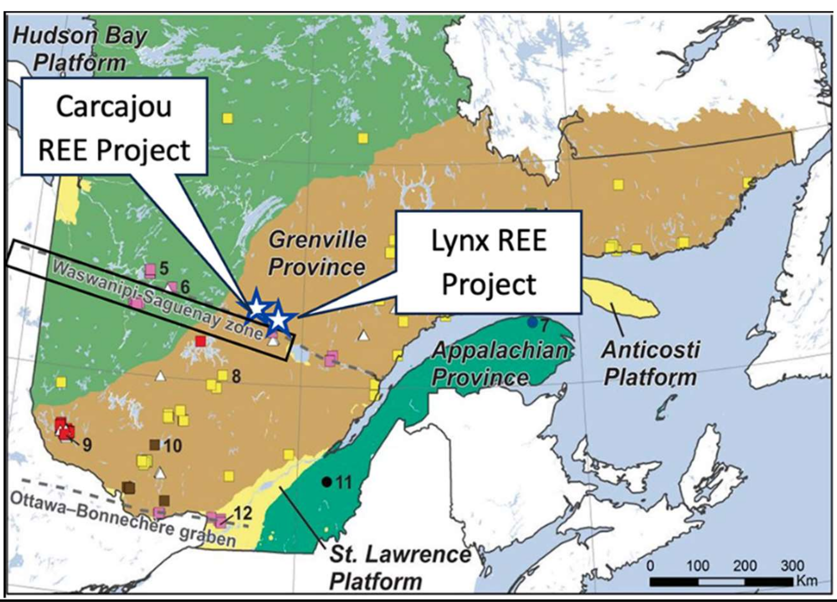


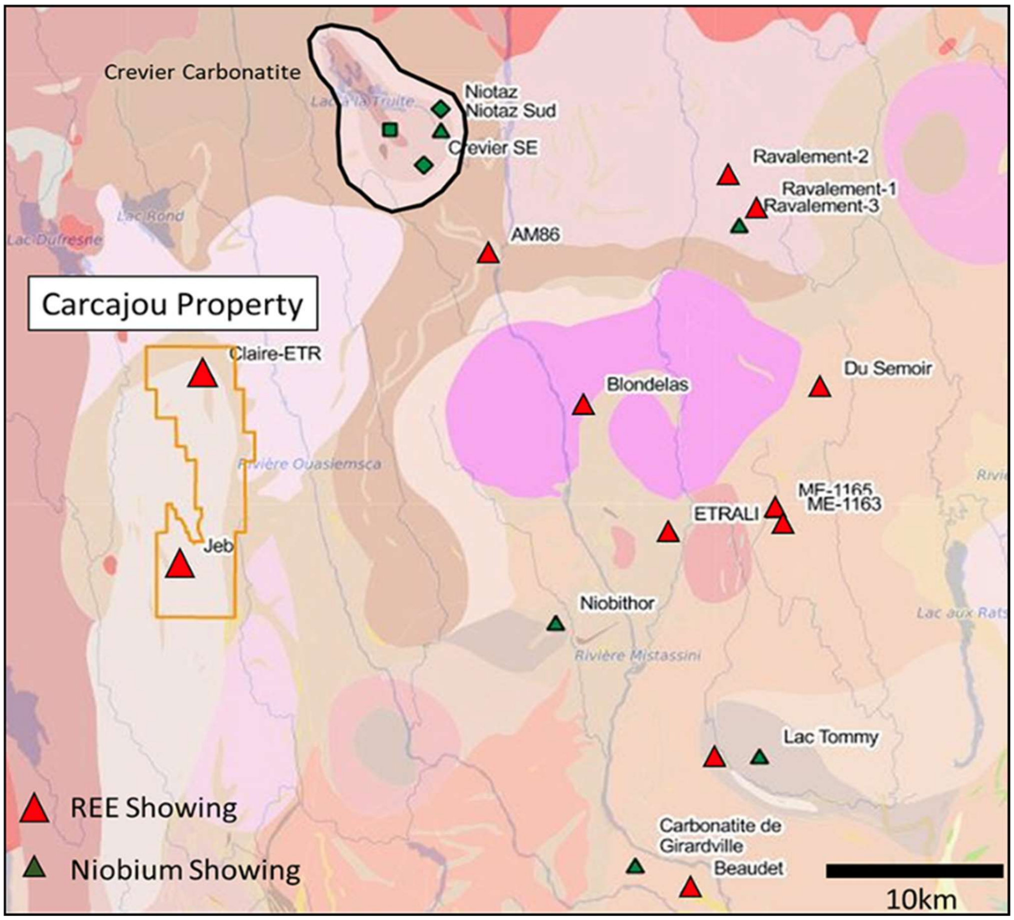
Fig. 1. Location of REE mineralization in Québec. 1- Eldor deposit, 2- Strange Lake deposit, 3- Misery Lake deposit, 4- Kwyjibo group of occurrences, 5- Montviel deposit, 6- Lac Shortt deposit, 7- Grande-Vallée deposit, 8- Haltaparche occurrence, 9- Kipawa deposit, 10- Baie-Mercier occurrence, 11- Wares occurrence, and 12- St. Lawrence Columbium mine and Niocan deposit.

WASWANIPI-SAGUENAY PROJECTS - CARCAJOU REE PROPERTY

The Carcajou REE Project covers an area of 77 km² and is located 20km SW of the Crevier Carbonatite (Figure 2). The Carcajou REE Project hosts significant TREO values of up to 1.1%. The objective of the 2024 Carcajou Program is to map and prospect both showings and surrounding areas in order to characterize the style of mineralization and identify new showings within the property and better understand the exact nature of the mineralization.

An exploration program of $130,000 is planned for the summer 2024.

Figure 2 – Carcajou REE project



The Corporation entered into a purchase agreement on March 8, 2023, pursuant which the Corporation acquired 54 claims, representing approximately 3,024 hectares along the Waswanipi-Saguenay Zone in Quebec. As consideration, the issued 9,600,000 common shares (valued at $1,440,000).

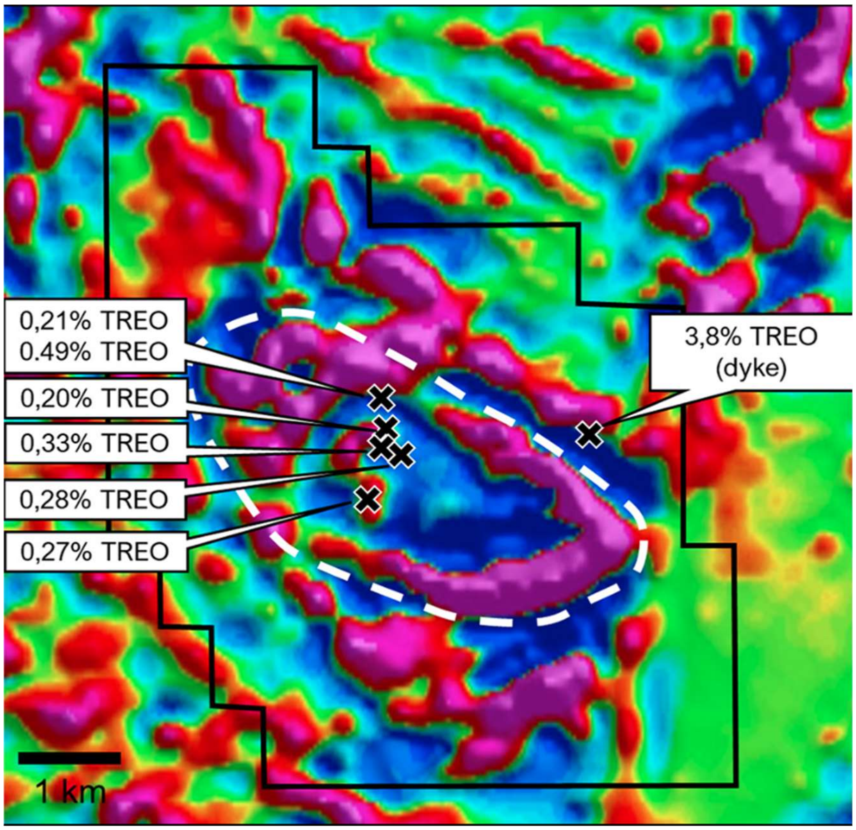
On April 17, 2023, the Corporation issued 8,000,000 common shares (valued at $1,440,000) to acquire an additional 37 claims, which represent approximately 2,072 hectares.

In May 2023, the Corporation issued 8,000,000 common shares acquire additional claims in the Waswanipi-Saguenay Zone.

WASWANIPI-SAGUENAY PROJECTS - LYNX REE PROPERTY

The Lynx REE project covers an area of 48.8 km^2 and includes the Riviere Noire alkaline intrusive plug which hosts TREO (Total Rare Earth Oxide) values of up to 0.49% within the 6km by 2km plug (Figure 2). In addition, high-grade values have been obtained from neighbouring dykes up to 3.8% TREO. The disseminated TREO values appear to be associated with a late ultramafic alkaline intrusive containing diopside and apatite, with minor amounts of biotite, titanite, and carbonate.

Figure 3 - Lynx REE Project, including 6km by 2km plug in white outline



On November 21, 2023, the Corporation entered into an option agreement with Les Ressources Tectonic Inc. (the "Optionor") pursuant to which the Corporation has been granted an option to acquire 100% beneficial and legal interest in the Lynx rare earth elements project located in Quebec, Canada.

Under the terms of the option agreement, the Corporation may exercise the option to acquire a 100% interest in the Property upon completion of the following option payments):

- In November 2023, the Corporation made a cash payment in the amount of $10,000 to the Optionor and issued in December 2023 the Optionor 100,000 common shares in the capital of the Corporation;
- On or before the first anniversary date, the Corporation shall make a cash payment in the amount of $20,000 to the Optionor and issue the Optionor 100,000 common shares;
- On or before the second anniversary date, the Corporation shall make a cash payment in the amount of $40,000 to the Optionor and issue the Optionor 150,000 common shares; and
- On or before the third anniversary date, the Corporation shall make a cash payment in the amount of $60,000 to the Optionor and issue the Optionor 200,000 common shares.

In addition, if the Corporation obtains a preliminary economic assessment, study, pre-feasibility study or feasibility study prepared by an independent qualified person in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, the Corporation shall make a cash payment in the amount of $200,000 to the Optionor.

All Common Shares issued will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

On November 28, 2023, the Corporation acquired additional land surrounding the Lynx rare earth elements project for $3,300.

An exploration program of $270,000 is planned for the summer 2024.

The 2024 Lynx program will consist of mapping and prospecting of the entire property with the objective of identifying and understand any compositional variations within the intrusive and correlate these variations with TREO content and distribution. In addition, an effort will be made to characterize the mineralization within the peripheral high-grade dykes and establish their relationship with the Riviere Noire Intrusive.

CÔTE NORD PROJECTS – CARIBOU REE PROPERTY

The Corporation entered into a purchase agreement, on February 28, 2024, with an arm's length party, pursuant to which the Corporation acquired certain mineral claims in the Province of Quebec. As consideration, the Corporation issued, on March 7, 2024, 3,000,000 common shares to the seller (valued at $663,100).

Management is evaluating the exploration program on this property.

OTHER ACTIVITIES

In May 2024, the Corporation granted 4,000,000 stock options to officers and directors, with an expiration date of May 31, 2034, and an exercise price of $0.15 per common share.

On January 24, 2024, following the annual general and special shareholder meeting, Messrs. Benoit Desormeaux, Martin Milette, Richard Roy and Ms. Carly Burk were elected as directors of the Company.

On June 26, 2023, Benoit Desormeaux was appointed CEO of the Corporation and on November 23, 2023, Martin Milette was appointed CFO.

SELECTED FINANCIAL INFORMATION

Due to the Corporation's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Corporation currently does not have any revenues from its operations.

SELECTED ANNUAL INFORMATION

DESCRIPTION	YEAR ENDED APRIL 30, 2024	YEAR ENDED APRIL 30, 2023
	$	$
Cash (a)	71,500	211,500
Total assets (b)	5,005,800	3,162,200
Total liabilities	157,300	135,900
Net loss (c)	208,400	8,748,600
Basic and diluted loss per share	0.01	0.53

(a) Cash decreased compared to fiscal 2023 as a result of the expenses incurred during the period without any additional financing.

(b) Total assets increased because the Corporation acquired claims and paid an option payment during the period for a total of $2,047,400, most of which was acquired through issuance of 11,100,000 common shares of the Corporation.

(c) The net loss is significantly lower for the year ended April 30, 2024, because in the previous year, the Corporation impaired the Sagana Lake Gold, the Thunder Bay and the MAX property, resulting in an impairment expense of $8,193,900, compared to an impairment charge of $25,000 for Fiscal 24.

Also, management fees of $35,000 (2023 - $174,900) decreased compared to Fiscal 23 as a result of the change in management during Fiscal 24.

THREE-MONTH PERIODS ENDED APRIL 30, 2024 AND 2023

DESCRIPTION	THREE-MONTH PERIOD ENDED APRIL 30, 2024	THREE-MONTH PERIOD ENDED APRIL 30, 2023
	$	$
Net loss (a)	47,900	8,364,100
Basic and diluted loss per share	0.01	0.53

(a) The net loss is significantly lower for the three-month period ended April 30, 2024, because in the previous year, the Corporation impaired the Sagana Lake Gold, the Thunder Bay and the MAX property, resulting in an impairment expense of $8,193,900, compared to an impairment charge of $Nil the same period in Fiscal 24.

SUMMARY OF QUARTERLY RESULTS

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

	APRIL 30, 2024	JANUARY 31, 2024	OCTOBER 31, 2023	JULY 31, 2023
	$	$	$	$
Revenue	-	-	-	-
Loss for the period	(47,900)	(80,800)	(29,700)	(50,000)
Exploration and evaluation assets	4,927,400	4,268,800	4,240,000	4,240,000
Total assets	5,005,800	4,375,000	4,403,500	4,472,600
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

	APRIL 30, 2023 (A)	JANUARY 31, 2023	OCTOBER 31, 2022	JULY 31, 2022
	$	$	$	$
Revenue	-	-	-	-
Loss for the period	(8,364,100)	(124,100)	(110,900)	(149,600)
Exploration and evaluation assets	2,905,000	8,218,900	8,192,400	8,021,700
Total assets	3,162,200	8,678,500	8,748,400	8,874,700
Loss per share	(0.53)	(0.00)	(0.00)	(0.00)

(A) The net loss for the period is higher than usual because exploration properties were impaired for $8,193,900. The impairment also explains the decrease in the exploration and evaluation assets.

EQUITY TRANSACTIONS

The Corporation will continue to require funds for exploration work on its properties, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Corporation in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Corporation. The Corporation does not have any other commitments for material capital expenditures over either the near or long term or none are presently contemplated other than as disclosed above and/or over normal operating requirements.

During the months of July and August 2022, the Corporation issued an aggregate of 616,424 common shares with a fair value of $61,642 as an option payment on the Starr Gold-Silver project.

During the months of March and April 2023, the Corporation issued an aggregate of 17,600,000 common shares with a fair value of $2,880,000 as payment for the Waswanipi-Saguenay property.

In May 2023, the Corporation issued 8,000,000 common shares to acquire additional claims in the Waswanipi-Saguenay Zone, valued at $1,360,000. In December 2023, 100,000 common shares were issued in relation to the Lynx REE property option agreement, valued at $11,000.

In March 2024, the Corporation issued 3,000,000 common shares with a fair value of $660,000 as payment for the Côte Nord Caribou REE property.

In June 2024, the Corporation completed a non-brokered private placement through the issuance of 4,203,333 common shares of the Corporation at a price of $0.15 per share and 2,283,000 flow-through shares ("FT share") at $0.18 per FT share for aggregate gross proceeds of $1,041,440.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation has no operations that generate cash flow, and its long-term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Corporation's primary capital asset is a resource property. Exploration expenditures are capitalized as incurred.

Since incorporation, the Corporation's capital resources have been limited. The Corporation has had to rely upon the sale of equity securities and debt financing for the cash required to make property acquisition and exploration payments, office and miscellaneous expenses and accounting, audit, and legal fees, among other expenses.

The annual audited financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Corporation may revise programs depending on its working capital position.

As at April 30, 2024 the Corporation reported a negative working capital of $78,900 (April 30, 2023 – positive $121,300) and a deficit of $47,564,900 (April 30, 2023 – $47,356,500). The Corporation had not yet achieved profitable operations since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Corporation's ability to continue as a going concern. The Corporation's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Corporation to raise equity financing, the attainment of profitable operations, external financings, and further share issuances.

On June 5, 2024, the Corporation completed a non-brokered private placement through the issuance of 4,203,333 common shares of the Corporation at a price of $0.15 per share and 2,283,000 flow-through shares ("FT share") at $0.18 per FT share for aggregate gross proceeds of $1,041,440.

The following table summarizes the Corporation's cash on hand, working capital and cash flow activities:

	AS AT APRIL 30, 2024	**AS AT APRIL 30, 2023**
	$	**$**
Cash	71,500	211,500
Working capital	(78,900)	121,300

CASH FLOWS PROVIDED BY (USED IN)	**YEAR ENDED APRIL 30, 2024**	**YEAR ENDED APRIL 30, 2023**
	$	**$**
Operating activities (a)	(123,200)	(337,200)
Investment activities (b)	(16,400)	(293,400)
Financing activities (c)	(400)	(25,000)
Decrease in cash and cash equivalents	(140,000)	(655,600)

The Corporation is dependent on the sale of treasury shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Corporation will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Corporation will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Corporation will be forced to curtail its activities.

(a) During year ended April 30, 2023, 2024, cash used in operating activities was for the general activities, in results of operations.

(b) During year ended April 30, 2023, the Corporation incurred exploration activities. For Fiscal 2024, the Corporation acquired mineral claims mainly through common shares issuance and cash payments of $16,400.

(c) During the year ended April 30, 2024, the Corporation used $400 in financing activities as share issuance costs and repaid a loan payable in Fiscal 2023.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

TRANSACTIONS WITH RELATED PARTIES

The following table shows related party transactions and balances payable for each of the Corporation's related parties:

	YEAR ENDED APRIL 30, 2024	YEAR ENDED APRIL 30, 2023
	$	$
Management fees (a)	35,000	145,000
Balance included in accounts payable and accrued liabilities	1,000	6,525

(a) Management fees were comprised of $nil for the CEO (2023 – $82,000 for the former CEO) and $35,000 (2023 - $63,000) for the former CFO.

APPLICATION OF NEW IFRS AND CRITICAL ACCOUNTING ESTIMATES

The Corporation is a venture issuer and as such utilizes limited critical accounting estimation.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is a summary of material accounting policies and a summary of the critical accounting estimates and judgements in notes 2 and 3 of the audited consolidated financial statements for the year ended April 30, 2024.

FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Corporation's financial instruments, financial risk and capital management are presented and described in the audited consolidated financial statements for the year ended April 30, 2024.

RISK FACTORS

EARLY STAGE – NEED FOR ADDITIONAL FUNDS

The Corporation has no history of profitable operations, and its present business is at an early stage. As such, the Corporation is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

Although the Corporation has been successful in the past in obtaining financing though the sale of equity securities, debt financing or joint ventures, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

TITLES TO PROPERTY

While the Corporation has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, titles to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects. In addition, a government could delimit a territory and create a protected area or a park to preserve its biological diversity and its related natural and cultural resources.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Mineral Resource and Mineral Reserve figures are only estimates. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices.

There is significant uncertainty in any Mineral Resource and Mineral Reserve estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from estimates. Estimated Mineral Resources and Mineral Reserves may have to be re-estimated based on changes in prices of phosphate or other minerals, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence such estimates. In addition, Mineral Resources are not Mineral Reserves and there is no assurance that any Mineral Resource estimate will ultimately be reclassified as Proven or Probable Mineral Reserves. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

DEPENDENCE ON MANAGEMENT

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

CONFLICT OF INTEREST

The Corporation's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the Business Corporations Act ("Corporations Act") in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

CATASTROPHIC EVENTS, NATURAL DISASTERS, SEVERE WEATHER
The Corporation's business may be negatively impacted to varying degrees by several events which are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. While the Corporation engages in emergency preparedness to mitigate risks, such events can evolve very rapidly, and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Corporation's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Company from fulfilling its obligations to third parties.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Corporation's technical reports, material change reports, news releases and other information can be obtained on SEDAR+ at www.sedarplus.ca.

SHAREHOLDER'S EQUITY AND OUTSTANDING SHARE DATA

	AS AT AUGUST 28, 2024
Common shares	50,231,012
Stock options	4,000,000
Warrants	-

(s) *Benoit Desormeaux*
Benoit Desormeaux
Chief Executive Officer

(s) *Martin Milette*
Martin Milette
Chief Financial Officer