

QMC QUANTUM MINERALS CORP.
MANAGEMENT DISCUSSIONS AND ANALYSIS
For the Year ended August 31, 2020

Form 51-102F1

GENERAL

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of QMC Quantum Minerals Corp. (the "Company" or "QMC") for the year ended August 31, 2020.

Except for historical information, this MD&A includes forward-looking statements which are subject to risks and uncertainties. Actual results may differ materially from those in such forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements.

The following information should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2020 and audited financial statements for the year ended August 31, 2019 and related notes thereto. Both financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Standards Boards. These documents can be found on SEDAR at www.sedar.com.

All amounts are in Canadian dollars unless otherwise indicated.

The Company's management is responsible for the preparation of the financial statements and the notes thereto and this MD&A.

The effective date of this MD&A is January 15, 2021.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet work commitments and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of the mineral properties will remain consistent with historical experiences, anticipated results of exploration activities and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth previously in this MD&A: volatility in the market prices for metals, uncertainties associated with estimating resources, geological problems, technical problems, drilling problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in

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mining operations, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel and unpredictable weather conditions.

Corporate & Exploration Highlights

Highlights of the Company's activities during the period ended August 31, 2020 and up to January 15, 2021

On September 11, 2019, the Company announced initial assay results for the 2019 drill program on the Irgon Lithium Mine projected. Highlights were: IR10-09 returning 3.65 metres of 1.85% Li₂O including 2.46% Li₂O, 87 parts per million (ppm) tantalum, 26 ppm cesium and 49 ppm niobium over 2.51 metres; and IR-19-01 returning 9.75 metres of 1.29% Li₂O, including 1.5% Li₂O, 300 ppm tantalum, 47 ppm cesium and 82 ppm niobium over 2.51 metres.

On October 16, 2019, the Company announced it had shipped mineralized samples from its Lithium Mine project to China-based Guangxi Non-Ferrous Limu Mining Co. Ltd. ("Guangxi") to have the samples tested and to produce a 6% battery-grade lithium oxide concentrate. Guangxi is a 51% state owned by the Guangxi provincial government with the balance of ownership being private equity with two processing facilities located in Gongcheng and Lingui, Guilin city, Guangxi, China. Guangxi has assets of approximately \$1-billion (U.S.) and 500 employees with state-of-the-art ISO-9001:2000 certified analytical testing equipment.

SGS Canada shipped, on behalf of QMC, mineralized (spodumene) samples from the Irgon, Irgon West, Mapeetre and Central dikes directly to Guangxi. The shipment comprised of pulps (portion of sample prepared for analysis) and previously analyzed samples. The Company will also ship additional, larger volume of mineralized samples from the above dikes to Guangxi for further testing. As part of the negotiated agreement between the Company and Guangxi, on completion of the testing process, Guangxi will provide the Company with a report which will include test results and a flow sheet for the production of concentrate.

On April 21, 2020, the Company announced it had discussions with Sinomine Group Co., Ltd. ("Sinomine") to process spodumene material from the Irgon Lithium Mine Property at the TANCO plant. The TANCO plant is easily accessible, located about 20km directly south of the Irgon Lithium Mine Property via Highway 314. Processing of material at the TANCO plant would eliminate the requirement for a concentrator. Sinomine personnel from China have indicated that they would like to visit the Irgon Mine Property as part of their due diligence accompanied by their local management. Discussions were productive and remain on-going. During August 2019, Sinomine signed a memorandum of understanding to process spodumene material from the Thomson Brothers Lithium Project in northern Manitoba, located approximately 950km northwest by rail.

On April 27, 2020, the Company announced announce that Torridon Investments Research LLC ("Torridon") recently published its equity analyst research report entitled, 'QMC Quantum Minerals Inc. (TSXV: QMC) – the Next low-cost Lithium and Rare Earths producer in a Safe-Haven Jurisdiction'. Torridon is a BVI-based company headquartered in Budapest, Hungary providing investment research & advisory, wealth management and private banking services focusing on a client base in Central and Eastern Europe. Torridon's research subscription base consists of approximately 50 institutional clients, 2,000 private (high-net worth individuals) and small business clients totaling US\$18.5-billion of assets under management. Torridon's research report on QMC was written and produced by Rába Zoltán Tamás - Head of Trading & Research, Chief Economist.

On July 2, 2020, the Company granted 1.5-million incentive stock options to certain consultants at an exercise price of 12 cents per option. The options are exercisable on or before July 2, 2025.

On September 22, 2020, the Company began initial planning of its proposed 2021 work program at its Rocky and Namew-Rocky Lake properties.

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On October 6, 2020, the Company provided an updated on its Rocky Lake property regarding location, prior work (geophysical survey, EM survey, and drilling) and potential of the property due its proximity of 11 mines, including Hudbay Mineral's Lalor and 777 mines.

On October 19, 2020, the Company closed a financing for gross proceeds of \$750,000 through the issuance of 7.5-million units at 10 cents per unit, where each unit will consist of one common share and on common share purchase warrant exercisable at 16 cents per warrant for a period of 24 months, in the event that the closing price of the company's shares as quoted on the TSX Venture Exchange exceeds 25 cents per share for 10 consecutive trading days, the company may accelerate the expiry date of the warrants by giving notice to the holders, within five days of such event, thereof, and in such case, the warrants will expire on the 30th day after the date on which such notice is given by the company. The Company paid finders' fees to arm's-length third parties consisting of \$4,000 cash.

On October 20, 2020, the Company provided an update on developments in Canada for the electric vehicles. The Federal Government of Canada and the Province of Ontario announced they would provide a total investment of \$590-million into the \$1.8-billion retooling of Ford Motor Company's Oakville, Ontario assembly plant making it the hub of EV production in Canada. The investment and retooling will make Ford Motor's Canadian production facility the largest EV assembly plant in North America. The plant will build five new EV models and the batteries that will power these vehicles.

Fiat Chrysler followed up Ford's announcement, with a \$1.5-billion investment in its Windsor assembly plant. The investment would retrofit the factory with state-of-the-art equipment that will enable the assembly of plug-in hybrids and battery-powered vehicles. The plant will add up to 2,000 jobs to the Windsor plant.

On December 30, 2020, the Company announced it will delay the filing of its audited annual financial statements for the year ended August 31, 2020, the related management's discussion and analysis and certifications, due to ongoing complications in coordinating with the Company's auditors and collections of the required data and documentation to complete the audit of the Company caused by COVID-19. Pursuant to National Policy 12-203 Management Cease Trade Orders ("NP 12-203"), the Company has applied and been granted a MCTO. The MCTO will restrict all trading by the Company's Chief Executive Officer, Chief Financial Officer and board of directors in the Company's securities. The MCTO will not affect the ability of persons other than the directors, officers and insiders to trade in the Company's securities. The MCTO will remain in effect until the Annual Filings are filed or until it is revoked or varied.

Since March 31, 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 measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks 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 the government and central bank 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.

The Company continues to pursue financing options and/or opportunities to joint venture its properties, plans for the comprehensive work programs at the Irgon property and on the Namew-Lake Volcanogenic Massive Sulphide (VMS) Project on which it has filed a National Instrument 43-101 report. The Namew Lake VMS Project which comprises the contiguous Rocky Lake and Rocky-Namew, and Namew properties totaling 22,945 hectares in the Flin Flon Mining District, northwestern Manitoba.

The NI 43-101 technical report on the VMS project was completed by Garth Kirkham, PGeo, providing an independent geophysical and geological evaluation, an updated review of the recent work conducted in 2010

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to 2012, and the recommendation to further investigate the potential of the Namew Lake VMS project as an economic mineral resource.

A two-phase work program has been recommended by Mr. Kirkham, including 2,500 metres of diamond drilling in phase one and 3,500 metres in phase two, a program with specific focus on the high-grade massive sulphide bed on the Rocky Lake property in addition to drilling on select targets from the 41 geophysics targets identified.

The NI 43-101 technical report - Rocky Lake volcanogenic massive sulphide (VMS) project can be found under the company's profile on SEDAR website at www.sedar.com.

Our Business

The Company is in the business of acquisition, exploration and development of resource properties. QMC holds interests in certain resource exploration properties located in Canada, with its Namew Lake Volcanogenic Massive Sulphide (VMS) Project comprising the Rocky Lake Property, the Rocky-Namew Property, the Namew Lake Property, and as well as the Irgon Lithium Mine Project, all in Manitoba.

Exploration business is risky and most exploration projects will not become mines. The Company currently has no producing properties, and consequently no operating income or cash flow. The Company has been entirely dependent on equity markets to finance all of its activities and it is anticipated that it will continue to rely on this.

Irgon Lithium Mine Project

The Company holds an undivided 100% right, title and interest on 22 mineral claims covering 11,325 acres comprising the Irgon (also known as Cat Lake) Lithium Project which potentially hosts several rare-element granitic pegmatite occurrences, one of which hosts and is locally known as the former Irgon Mine. Access to the project is excellent as Provincial Highway 314 in southeast Manitoba transects the claims, approximately 150km northeast of Winnipeg. The project is subject to 2% royalty held by a director of the Company.

The project lies within the east-trending Mayville-Cat-Eculid Greenstone Belt ("MCEGB") located along the northern contact of the Maskwa Lake Batholith. This northern greenstone belt has a similar structural geological setting as the Bird River Greenstone Belt ("BRGB") which is located along the southern contact of the same batholith and is parallel to and approximately 18km to the south of the MCEGB. The project is located 20km north of the Tanco Mine Property. The BRGB hosts the world-class Tanco rare element-bearing pegmatite dike. The Tanco Mine went into production in 1969 and produced tantalum, cesium and lithium concentrate. It was previously North America's largest and sole producer of spodumene (Li), tantalite (Ta) and pollucite (Cs).

The Company's Irgon Lithium Mine Project covers the former Irgon Mine and several other known spodumene-bearing pegmatite dikes of which currently the largest and best exposed is the spodumene-bearing Irgon Dike. This dike is well exposed on a glaciated surface and strikes N80°W with a dip of 87°S. It currently has a total intermittently exposed strike length of 800 meters and displays widths varying between 3 and 18 meters, with an average width of approximately 7 meters. Near the centre of its widest section, the dike is composed of large microcline crystals, from 39 to 61 centimeters along their crystal faces, which lie in a finer-grained groundmass of quartz and spodumene. The eastern portion of the deposit was sampled over a length of about 229 meters (circa 1934) with samples sent for analyses at the Department of Mines, Ottawa.

The results, although considered by QMC to be historic, indicated contents of 40-53% spodumene for samples, and 7.44% Li₂O contained within the spodumene mineralization.

Between 1953-1954, the Lithium Corporation of Canada Limited ("LCOC") drilled 25 holes into the Irgon Dike and reported a historical resource estimate of 1.2 million tons grading 1.51% Li₂O over a strike length of 365 meters and to a depth of 213 meters. This historical resource is documented in a 1956 Assessment Report

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by B. B. Bannatyne for the Lithium Corporation of Canada Ltd. (Manitoba Assessment Report No. 94932). This historical estimate is believed to be based on reasonable assumptions and both the company and QP has no reason to contest the document's relevance and reliability. A detailed drill program will be required to update this historical resource to current NI 43-101 standards. Historic metallurgical tests reported an 87% recovery from which a concentrate averaging 5.9% Li₂O was obtained. At that time, a complete mining plant was installed on site designed to process 500 tons of ore per day and in addition, a three-compartment shaft sunk to a depth of 74 meters. On the 61-metre level, lateral development was extended off the shaft for a total of 366 meters of drifting; from which six crosscuts transected the dike. The work was suspended in 1957, awaiting a more favourable market for lithium oxides and at this point the mine buildings were removed.

Project highlights:

- Completed a sampling program on the Irgon Dike comprising of 144 sawn channel samples. A total length of 139.1 metres (456.4 feet) of channel sampling has been completed from eleven sawn channel locations;
- The sampling program identified three additional pegmatite dikes (Mapetre, Central and North Dike);
- Identified a large lithium soil geochemical anomaly through the review of all historical data available. This anomaly measures 100 metres at the east end and widens to approximately 350 metres at the west end. The lithium anomaly strikes east west and is approximately 1,100 metres long;
- Channel samples result summary:
 - The best channel sample interval returned 1.43% Li₂O over 18.0m - including 1.73% Li₂O over 14.0m;
 - Lithium grades of up to 4.31%, 4.0% and 3.05% Li₂O over one metre intervals were reported in the assay results;
 - 22.2% of the pegmatite assays returned a grade greater than 1.5% Li₂O;
 - 41.1% of the pegmatite assays returned a grade greater than 1.0% Li₂O;
 - 54.4% of the pegmatite assays returned a grade greater than 0.5% Li₂O;
 - Tantalum (Ta), Niobium (Nb), Rubidium (Rb), Cesium (Cs) and Beryllium (Be) grades of up to 319, 275, 2961, 567 and 325 ppm respectively were encountered over one-meter sample intervals.
 - The interval exhibiting the highest tantalum assay was from Cut 3: it returned 225ppm Ta over 5.6m.
 - The interval exhibiting the highest cesium assay was from Cut 8: it returned 376ppm Cs over 4.7m.
 - The interval exhibiting the highest niobium assay was from Cut 3: it returned 166ppm Nb over 4.0m.
- Completed a 3-D model using all available geologic data of the Irgon Dike;
- Results of LCOC's 1956 underground channel sampling of the Irgon Dike at the 200 ft level, as follows:

CrossCut ID	Li₂O Grade (%)	Width (Feet)
No. 2 West	1.24	4.0
No. 1 West	1.75	6.0
Center	1.32	6.9
No. 1 East	1.30	14.5
No. 2 East	1.80	12.3
No. 3 East	1.16	24.9
No. 4 East	2.30	7.3

- Engaged SGS Canada Inc. ("SGS") to provide technical support and consulting services.

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- Identified additional outcrops of pegmatite containing significant spodumene mineralization up to 635 metres west of the Irgon shaft, and along strike from, the Irgon Dike. These new mineralized dikes will be tested to determine if they are the western extension of the Irgon Dike or if they are a new parallel, mineralized dike swarm.
- QMC and SGS completed the initial Mobile Metal Ion (“MMI”) geochemical orientation survey across the Irgon Dike. Based on the MMI results received after geo-referencing of the MMI ratio data, SGS was able to accurately identify the unexposed position of the western extension of the Irgon Pegmatite Dike. In addition, two separate strong MMI anomalies were identified: one lying north of the Irgon Dike and the other lying south of the dike. At both locations, no surface rock outcropping nor spodumene mineralization is visible. SGS has indicated to QMC that these strong MMI geochemical responses are related to buried, parallel, lithium-bearing pegmatite occurrences.
- Along with accurately identifying the position of the western extension of the Irgon Dike through the MMI geochemical survey, two other, separate, and very pronounced MMI anomalies were also identified: one lying north of the Irgon Dike and the other lying south of the dike. The MMI signature received over each these two sites reports stronger than the MMI signature received directly over known, existing mineralization in the Irgon Dike. SGS has indicated to QMC that they believe that these strong MMI geochemical responses are related to buried, parallel, lithium-bearing pegmatite occurrence.
- SGS reported that Li (lithium) values correlate well with both Cs (cesium) and Rb (rubidium) values. SGS indicates that the Cs values for many of the samples were well above a “normal Cs value” in various rock types in North America which would be expected as elevated Cs values have been previously documented.
- SGS undertook a regional evaluation of the lithium-bearing potential of the CAT 2 Claim south of Cat Lake, Manitoba, and have confirmed significant visual spodumene mineralization in the Central Pegmatite Dike. The Central Dike is locally visible along an escarpment immediately adjacent to a creek. It has also been exposed in two old overgrown pits on the dike. Abundant coarse-grained spodumene mineralization was observed within the dike where it is locally visible in these locations. A chip sample taken from the escarpment face of this dike returned 4.16% Li₂O.
- The visually abundant spodumene mineralization exposed on the Central Dike was traced in outcrop over a length of approximately 50 meters; the dike, which occurs as a flat-lying sill, is estimated to be over 2 meters thick. QMC will undertake to expose the actual length, depth and width through a program of overburden stripping on this well-mineralized dike.
- Confirmed significant visual spodumene mineralization in the Mapetre Pegmatite Dike. The Mapetre Dike, located east of the Central Dike, can be seen in two historic pits. In these pits, QMC crews have identified large crystals of spodumene mineralization, which have the same mineralogical characteristics as the 4.16% high-grade sample obtained from the Central Dike.
- Identified significant spodumene mineralization in pegmatite dikes that outcrop north of Cat Lake, immediately west of the Irgon Dike. Spodumene mineralization was identified in numerous localized pegmatite exposures, directly on strike with and as far as 400 meters west of the Irgon Shaft. This observation of pegmatite outcrops containing significant visual spodumene mineralization and the fact that it occurs on the same dike trend as the Irgon Dike, suggests to QMC geologists that the Irgon mineralization continues westward.
- Successfully completed its phase one drilling program on the Irgon Lithium Mine Property. In total, 18 NQ diamond drill holes were collared and completed for a total of just over 2,300 metres of drilling, with most holes intersecting significant visible spodumene mineralization.
- Significant assay results from the Mapetre, Central and Irgon West Dikes. The assay results from sampling of the three pegmatite dikes were:

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Sample Location	Assay Results				Sample Type	Sample Length (metres)
	Li ₂ O(%)	Ta (ppm)	Rb (ppm)	Cs (ppm)		
Mapetre Trench	2.47	274	447	147	Chip	1.5 (0 to 1.5)
Central Dike	1.42	22	1301	90.2	Chip	1.4 (0 to 1.4)
Central Dike	1.13	29.3	1782	127	Chip	2.9 (0 to 2.9)
Central Dike	2.34	19.8	2905	165	Chip	4.1 (2.9 to 7.0)
Irgon West Dike	2.79	442	584	31.6	Chip	7.0
Irgon West Dike	2.47	178	606	46.7	Chip	5.0
Irgon West Dike	2.51	78.4	157	14.1	Chip	5.0
Irgon West Dike	1.80	119	359	12.5	Grab	N/A
Irgon West Dike	2.52	58.1	674	14.5	Grab	N/A

- Received from the former owners of the TANCO Mine, Cabot Corporation, the opportunity to evaluate and re-sample the stored drill core derived from the 1978 TANCO drill program. On re-sampling, QMC confirmed that pegmatite was intersected in all drill holes for which the core was available. The available drill core was not complete, as several holes had sections that had been completely removed and three of the holes were missing from the TANCO storage facility.
- Assay results from TANCO drill core with the best Mapetre Dike intersection was 0.32% Li₂O over 16.61 metres, including 0.52% Li₂O over 8.69 metres. The best intersection from the Central Dike was 1.28% over 3.81 metres, including 2.97% Li₂O over 1.22 metres. Two additional sample intervals from drill holes on the Central Dike re-assayed 1.50% over 1.52 metres and 1.04% over 1.52 metres. This strongly supports the fact that both the Mapetre and the Central Dikes remain excellent targets to add to the total tonnage available on the Irgon Property.

The mineral reserve cited above is presented as a historical estimate and uses historical terminology which does not conform to current NI43-101 standards. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Although the historical estimates are believed to be based on reasonable assumptions, they were calculated prior to the implementation of National Instrument 43-101. These historical estimates do not meet current standards as defined under sections 1.2 and 1.3 of NI 43-101; consequently, the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

Rocky Lake Property

On October 16, 2008, the Company entered into an amended and restated property option agreement with 4920776 Manitoba Ltd. pursuant to which the Company acquired an option to acquire a 100% interest in certain mining claims known as the Rocky Lake property located in Manitoba.

The Rocky Lake property consists of the Rock claims 1 to 13, 3,190 hectares and Jaln claim 256 hectares for a total of 3,446 hectares. The Rocky Lake Copper prospect was discovered in June of 1987, when airborne geophysical surveys detected a 5 km. long conductor and further ground EM surveys outlined a 1500 meter long conductor associated with a magnetic high. Hudson Bay diamond drilled 10 NQ and BQ holes totaling 2,292 meters in three programs; five in 1987, three in 1990 and two in 1991. The Company cut a new grid over the Hudson Bay anomaly and completed the Crone Pulse Domain Electromagnetic (PEM) survey. The PEM survey delineated a very prominent conductor anomaly.

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The PEM survey anomaly suggests that some of the strongest portions of the original Hudson Bay electromagnetic anomaly were not adequately tested. The drilling appears to have been carried out on the apparent footwall side of the potential mineralized body, thereby missing the main target. Copper mineralization intersected in the Hudson Bay drilling is present as stringers and could represent stringer mineralization adding credence that the main massive sulphide mineralized body may well have been missed. In addition to this the Company has completed an helicopter airborne VTEM survey on the property. In December 2011, QMC commenced a 1,025 metre drilling program on the property which was completed in the spring of 2012 and results confirmed massive sulphide mineralization with visible chalcopyrite mineralization in the core.

Detailed re-interpretation of VTEM data by Maxwell Modelling on the main Rocky Lake massive sulphide target showed the presence of a deep seated conductor. This conductor appears to be at least 1,000 metres long and seated at a depth of minimum 200 metres. The top of the conductor was confirmed by drill holes RL11-2 and RL12-5. Massive sulphide mineralization was intersected at the bottom of RL11-2 at a vertical depth of 193 metres. Mineralization consists of semi-massive sulphides, mostly pyrrhotite and pyrite with visible chalcopyrite, and is hosted near the contact of the hanging wall felsic rocks with the footwall mafic rocks. The drill hole was stopped in mineralization because of drilling problems. Assays from the mineralized core at the bottom of the drill hole returned 30 cm grading 0.26% copper within a semi-massive sulphide section of approximate 20% total iron sulphides. Drill Hole RL12-5 also intersected semi-massive sulphides at a vertical depth of 171 metres. The intersection returned highly significant values of copper within a zone averaging 18% to 20% iron sulphides over 9 metres.

These results are highly encouraging and indicate that a more extensive drilling program to fully test the mineralized VMS system is warranted. Seven (7) drill holes at a spacing of 100 metres are recommended to test this conductor along strike and depth. The other holes drilled in this zone (RL11-1 and RL11-3) were much shallower and did not intersect the deep conductor; however, they returned significant values in copper. RL11-1 also returned anomalous copper with values up to 400 ppm from 147 metres to the end of the hole at 222.50 metres.

The two semi-massive sulphide intersections (drill holes RL11-2 and RL11-5) also confirms the geological re-interpretation of the Hudson Bay's historical diamond drilling program and suggests that Hudson Bay missed the deep-seated massive sulphide mineralization.

The Company is in the process of making an application for permits to continue work on the property and plans to complete a two phase work program to further investigate the Namew Lake VMS Project as an economic mineral resource, recommended by Garth Kirkham (P.Geoph. P.Geo.) in the 43-101 report completed and filed in May 2013. This extensive exploration program includes 2,500 metres of diamond drilling in phase one and 3,500 metres in phase two; a program with specific focus on the potential high grade massive sulphide formation in addition to drilling on select conductors from the 41 geophysics targets and will include the detailing and refining of drill targets.

Rocky-Namew and Namew Lake Properties

The Company entered into two property option agreements dated October 31, 2008 and amended October 13, 2010, with Balraj Mann, President, Chief Executive Officer, and director of the Company pursuant to which the Company was granted an option to acquire a 100% interest in certain mining claims known as the Rocky-Namew property located in Manitoba and an option to acquire a 100% interest in certain mining claims known as the Namew Lake property located in Manitoba (the "Namew Lake Property").

These properties are located in the Flin-Flon Greenstone belt and are adjacent to the Rocky Lake Property. The Rocky-Namew Lake Property area is comprised of the area subject to Mineral Exploration Licenses 358A and 359A and the Namew Lake property area is comprised of the area

subject to Mineral Exploration Licenses 360A and 361A, with the total property size of 24,691 hectares. The Company evaluated the Manitoba government geological mapping data and the airborne geophysical

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electromagnetic data and found these areas to have potential to host several volcanogenic massive sulphide bodies.

The Company, by staking, added Mineral Exploration License 981A for 11,123 hectares, increased the Property total to 35,814 hectares. The license was issued on November 8, 2011 and expired on February 28, 2014. On June 25, 2013, license MEL359A expired and the Company re-staked it as license MEL 1020A to continue to be part of the option agreement. The license expired on August 15, 2014. There is no write down associated with the expiry of these licenses. In March 2014 MEL's 358A, 360A and 361A expired the Company re-staked them as by MEL's 1028A, 1042A and 1043A 201 which continue to be part of the option agreement.

In the spring of 2011, the Company carried out an helicopter-borne VTEM *plus* Time Domain EM survey (Geotech) covering all the project licenses and claims (Rocky Lake property) for a total of 2,142 line kilometers with 160 metre line spacing over an area of 316 square kilometers. Geotech's VTEM system has been shown to locate discrete conductive anomalies as well as mapping lateral and vertical variations in resistivity. These conductors could represent hidden volcanogenic massive sulphide mineralized bodies at depth.

Based on the analysis of EM anomaly picking, EM time-constant (TAU) and resistivity depth imaging, twenty one (21) deep targets were selected for Maxwell 2.5D plate modeling, as shown in the attached figure. Maxwell 2.5D plate modeling provides quantitative interpretations of conductors, using conductive plate(s) in a non-conductive medium. It gives target location geometry and conductivity parameters. Out of twenty one (21) targets selected for modeling, fifteen (15) are classified as first priority targets.

The Company selected five of these priority targets recommended in the Geotech report for test drilling the conductors. In December 2011, QMC commenced drilling on the property which was completed in the spring of 2012 for 1,425 metres.

Three drill holes, RL12-6, RL12-8 and RL12-9 intersected mineralization on three separate targets outside the Rocky Lake area (T11A, T12A and T12B) and a fourth hole, RL12-4, intersected the hanging wall altered felsic wall rock rocks (Target T14). This drill hole was short of the deep target. All three holes returned anomalous values in copper up to 100 to 500 ppm with iron sulphides up to 30%. RL12-9 also returned anomalous values in zinc (shown below). Hole RL12-7 (Target T11B) appeared to miss the target. Results indicate that further work is required on these targets and the additional VTEM targets identified.

The Company is negotiating an extension of the option payments which were due on February 28, 2013.

The Company plans to complete a two phase work program to further investigate the Namew Lake VMS Project as an economic mineral resource, recommended by Garth Kirkham (P.Geoph. P.Geo.) in the 43-101 report completed and filed in May 2013. This extensive exploration program includes 2,500 metres of diamond drilling in phase one and 3,500 metres in phase two; a program with specific focus on the potential high grade massive sulphide formation in addition to drilling on select conductors from the 41 geophysics targets and will include the detailing and refining of current drill targets.

Other Properties

The Company has evaluated various properties relating to rare-earth minerals which are used in existing and emerging energy technologies, and the Company will further access these properties and work towards acquiring one or more.

Further details on all the Company's mineral properties can be found in Note 5 in the audited financial statements for the year ended in August 31, 2020. These financial statements can be found on SEDAR at www.sedar.com.

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Qualified Person

All disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

Mr. Bruce E. Goad, P.Geo. a consultant to the Company is the Qualified Person.

Selected Annual Information

The following financial data is derived from the Company's audited financial statements for the years ended August 31, 2020, 2019 and 2018:

	August 31, 2020	August 31, 2019	August 31, 2018
Total revenues	\$ -	\$ -	\$ -
Net loss	(723,980)	(1,640,191)	(4,180,016)
Total assets	5,041,877	4,737,730	4,994,753
Total liabilities	2,350,419	1,623,467	1,439,416

The Company recorded stock-based compensation of \$186,000, nil, and \$2,355,000, in fiscal 2020, 2019 and fiscal 2018, respectively. Stock-based compensation were non-cash items.

Summary of Quarterly Results

The following is a summary of the results from the eight previously completed financial quarters and is in accordance with IFRS:

	Aug. 31, 2020	May 31, 2020	Feb. 29, 2020	Nov. 30, 2019
Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net income (loss)	(319,001)	(121,572)	(126,971)	(156,436)
Net income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)
	Aug. 31, 2019	May 31, 2019	Feb. 28, 2019	Nov. 30, 2018
Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net income (loss)	(270,706)	(435,993)	(386,262)	(547,230)
Net income (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)

The Company had higher expenses in the quarters ended in 2019 compared to quarters ended in 2020 due to the effects of COVID-19. The Company incurred a stock option compensation expense of \$186,000 in the quarter ended August 31, 2020.

Results of Operations for the Three Months Ended August 31, 2020 and 2019

The net loss for the three-month period ended August 31, 2020 was \$319,001 compared to \$225,706 for the same period in 2019. Major expenditures and their respective changes are as follows:

- Accounting and legal fees \$27,000 (2019 - \$20,031);

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- Consulting \$13,500 (2019 - \$69,500);
- Listing and filing fees \$3,258 (2019 - \$1,382);
- Office and miscellaneous costs \$5,348 (2019 - \$6,981);
- Rent \$31,500 (2019 - \$31,500);
- Marketing and advertising \$48,937 (2019 - \$86,341);
- Stock-based compensation \$186,000 (2019 – \$nil);

The net loss for the three months ended August 31, 2020 included a non-cash expense of \$186,000 for stock-based compensation due a grant of stock options. Excluding the stock-based compensation expense (non-cash), operating expenses were \$133,001 which lower than the comparable period due to decreased activity.

Results of Operations for the Year Ended August 31, 2020 and 2019

The net loss for the year ended August 31, 2020 was \$723,980 compared to \$1,640,191 for the same period in 2019. Major expenditures and their respective changes are as follows:

- Accounting and legal fees \$53,965 (2019 - \$43,213);
- Bad debts \$nil (2019 - \$45,000)
- Consulting \$101,000 (2019 - \$260,500);
- Insurance \$14,581 (2019 - \$11,368);
- Listing and filing fees \$19,645 (2019 - \$48,753);
- Marketing and advertising \$179,083 (2019 - \$1,020,870);
- News dissemination \$1,700 (2019 - \$16,033);
- Office and miscellaneous costs \$19,083 (2019 - \$32,7898);
- Rent \$126,000 (2019 - \$126,279);
- Stock-based compensation \$186,000 (2019 - \$nil);
- Travel \$10,451 (2019 – \$23,399);

The Company incurred lower expenses for the year ended August 31, 2020 compared to 2019 as activity was limited due to the COVID-19 Pandemic. The decrease in net loss is attributed to reduced expenditures relating to consulting fees, marketing and advertising, listing and filing fees, and news dissemination.

Liquidity

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of stock options, and short term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms. While in the past the Company has been successful in obtaining additional funding from equity financings, option agreements, loans or through other arrangements, there is no assurance that these initiatives will be successful in the future.

As at August 31, 2020, the Company has a working capital deficit of \$2,066,734 (August 31, 2019 – working capital deficit \$1,456,864). The Company plans to continue to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Contractual Obligations - The Company has no material contractual obligations.

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Outstanding Share Data

Authorized:

Unlimited common shares without par value

Common Shares:

During the year ended August 31, 2020, the Company did not issue any shares.

During the year ended August 31, 2019, the Company issued 59,031 shares as a final payment for the Irgon Lithium Mine Property (Note 6). The fair value of the shares issued is \$19,500.

At the effective date of this MD&A, the Company has 75,935,824 common shares and 5,212,500 share options outstanding. If all stock options, are exercised, the Company would have 81,148,324 shares issued and outstanding.

Related Party Transactions and Balances

The Company incurred the following fees and expenses charged by directors of the Company or by entities controlled by them for the year ended August 31, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Consulting fees-CEO ⁽¹⁾	\$ 80,000	\$ 120,000
Project consulting-CEO ⁽¹⁾	115,000	120,000
Rent ⁽¹⁾	126,000	120,000
Office	12,000	12,000
Accounting-CFO ⁽²⁾	30,000	30,000

⁽¹⁾ paid to NMS Ventures Inc., a company 100%-owned by Balraj S Mann, president, CEO and director of the Company.

⁽²⁾ paid to AE Financial Management Ltd, a company owned 100%-owned by Edward Low, CFO of the Company.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation disclosed above comprised the follow for the period ended August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Key management personnel:		
CEO	\$ 195,000	\$ 240,000
CFO	30,000	30,000
	<u>\$ 225,000</u>	<u>\$ 270,000</u>

These transactions are measured at fair value. As at August 31, 2020, accounts payable and accrued liabilities included \$1,069,212 (August 31, 2019 - \$781,487) owing to a company with a common director and officer of the Company for consulting services, office and rent.

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As at August 31, 2020, accounts payable and accrued liabilities included \$39,375 (August 31, 2019 - \$7,875) owing to a company with a common officer of the Company for accounting services.

As at August 31, 2020, loans payable in the amount of \$280,413 (August 31, 2019 - \$nil) were due to a director and to a company with a common director and officer of the Company for monies advanced for working capital. The amounts are unsecured, non-interest bearing and are due on demand.

As at August 31, 2020, loans payable in the amount of \$83,230 (August 31, 2019 - \$nil) were due to an officer of the Company for monies advanced for working capital. The amounts are unsecured, non-interest bearing and are due on demand.

The amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Actual results could differ significantly from those estimates. Specific items requiring estimates are accounts receivable, exploration and evaluation assets, equipment, and amortization, asset retirement obligations, future income taxes, stock-option compensation and other accrued liabilities and contingent liabilities.

RISK AND UNCERTAINTIES

The Company's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the current world economic recovery, world conflict, natural disasters which affects the ability to raise financing, title matters, metal prices, currency rate fluctuations, operating hazards encountered in the mining business, and changing legislation, regulations or the administration thereof. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Environmental and Other Regulatory Requirements

Mineral exploration activities require permits from various governmental authorities and are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mineral exploration and development activities may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company believes it is in compliance with all laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake.

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Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Metal Prices

The principal activity of the Company is the exploration of resource metal properties. The feasible development of such properties is highly dependent upon metal prices. A sustained and substantial decline in commodity prices could result in the write-down, termination of exploration and development work or loss of the Company's interests in identified resource properties. Although such prices cannot be forecast with certainty, the Company carefully monitors factors that could affect metal prices in order to assess the feasibility of its resource properties.

Industry and Economic Factors Affecting Performance

As a mineral exploration and development company, The Company's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

Critical Accounting Estimates and Assumptions

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Share-based payments

The Company uses the Black-Scholes pricing model to estimate the fair value of stock options granted and warrants issued. Under this model, the Company must estimate the term, volatility and if applicable, the forfeiture rate of options granted and warrants issued.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumption made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information become available.

Management Responsibility

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and Management Discussion and Analysis (MD&A), is complete and reliable.

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Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that they are operating effectively.

It is important to recognize that the Company has very limited administrative staffing. As a result, internal controls which rely on segregation of duties in many cases are not appropriate or possible. The Company relies heavily on senior management review and approval to ensure that the controls are as effective as possible.

Off-Balance-Sheet Arrangements

The Company has not entered into any off-balance-sheet arrangements.

Subsequent Events

On October 19, 2020, the Company closed a financing for gross proceeds of \$750,000 through the issuance of 7.5-million units at \$0.10 per unit, where each unit will consist of one common share and one common share purchase warrant exercisable at \$0.16 per warrant for a period of 24 months, in the event that the closing price of the Company's shares as quoted on the TSXV exceeds \$0.25 per share for ten consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders, within five days of such event, thereof, and in such case, the warrants will expire on the 30th day after the date on which such notice is given by the Company. In connection with the private placement, the Company paid finder's fees to arm's length third parties consisting of \$4,000 cash. All shares to be issued pursuant to the financing will be subject to a four-month plus a day hold period under applicable securities laws in Canada.

Since January 30, 2020, when the World Health Organization (WHO) announced 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 measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks 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 the government and central bank interventions. Management is actively monitoring the global situation and its potential impact on the Company's ability to obtain additional funding as and when needed as well as the potential delays to exploration and evaluation activities. 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.

ADDITIONAL INFORMATION

Additional information related to the Company can be found on SEDAR at www.sedar.com.

List of Directors and Officers

Balraj Mann CEO and Director
Edward Low, CFO
Alicia Milne, Director
Anthony Zelen, Director