This Management's Discussion and Analysis ("MD&A") prepared as at January 28, 2026, reviews the financial condition and results of operations of Quebec Innovative Materials Corp. (the "Company") for the financial year ended September 30, 2025 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended September 30, 2025 and 2024.

The financial data included in the discussion provided in this report has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretation Committee ("IFRIC"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the annual audited financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the annual audited consolidated financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

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

On January 11, 2023, the Company announced it has changed its name to Quebec Innovative Materials Corp. and currently trades under the symbol "QIMC". The name change was preceded by the Company's announcement that it has acquired its first three mineral claim properties in Quebec which are prospective for hydrogen and helium.

During the year-ended September 30, 2025, the Company acquired a 50% interest in Orvian Natural Resources I LLC and, incorporated a wholly owned subsidiary in Nova Scotia.

Name of subsidiary	Country of Incorporation	% of Ownership
Orvian Natural Resources I LLC	United States	50
Nova Scotian Innovative Materials Inc.	Canada	100

Orvian Natural Resources I LLC

On May 13, 2025, the Company announced it has entered into strategic partnership with Black Tree Energy Group Sarl ("BTEG"), a Swiss-based energy infrastructure and project development company. The Company acquired a 50% interest in Orvian Natural Resources I LLC ("ORVIAN") from BTEG. ORVIAN will serve as special purpose vehicle that will support clean natural hydrogen development activities in the United States. During the year ended September 30, 2025, there was no activity within ORVIAN.

Nova Scotian Innovative Materials Inc.

On August 22, 2025, the Company incorporated a 100% owned subsidiary 4741981 Nova Scotia Limited. On August 27, 2025, the Company changed its name to Nova Scotian Innovative Materials Inc. ("NSIM"). NSIM was incorporated to have a permanent active subsidiary in the province of Nova Scotia. During the year ended September 30, 2025, there was no activity within NSIM.

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

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

The registered office of the Company is located at Suite 3500 – 800 Victoria Square, Montreal, Quebec, H3C 0B4.

EXPLORATION AND EVALUATION EXPENDITUES AND PROPERTIES

A summary of the Company's exploration and evaluation expenditures for the year-ended September 30, 2025 is as follows:

	Charlevoix Silica Project	Ville-Marie Project	River Valley Silica Project	Cumberland Basin Project	Year-ended September 30, 2025
Acquisition Costs					
Mineral claims	$ -	$ 27,139	$ -	$ 54,850	$ 81,989
Exploration Costs					
Drilling	-	170,256	-	-	170,256
Equipment & supplies	-	107,445	1,686	80,277	189,408
Food & lodging	-	71,307	-	14,848	86,155
Geological field work	2,549	238,408	-	144,016	384,973
Transportation	-	23,247	1,448	21,514	46,209
	2,549	610,663	3,134	260,655	877,001
Total exploration & evaluation expenditures	$ 2,549	$ 637,802	$ 3,134	$ 315,505	$ 958,990

A summary of the Company's exploration and evaluation expenditures for the year-ended September 30, 2024 is as follows:

	Charlevoix Silica Project	Ville-Marie Project	River Valley Silica Project	Year-ended September 30, 2024
Acquisition Costs				
Mineral claims - cash	$ -	$ 25,104	$ -	$ 25,104
Exploration Costs				
Equipment & supplies	100,794	614	26,836	128,244
Food and lodging	20,894	5,496	27,876	54,266
Geological field work	192,146	187,500	120,441	500,087
Transportation	11,285	-	-	11,285
	325,119	193,610	175,153	693,882
Total exploration & evaluation expenditures	$ 325,119	$ 218,714	$ 175,153	$ 718,986

Charlevoix Silica Project

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

The agreement provided for the purchase of these claims in consideration of 1,000,000 common shares of the Company. On February 2, 2021, the Company issued the 1,000,000 common shares 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 additional contiguous mining claims, 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 1.0% NSR by paying $1,000,000.

On October 8, 2021, the Company entered into an agreement with an arm's length party to acquire a 100% interest in certain additional mineral claims located adjacent to its original Charlevoix properties. These newly acquired claims are contiguous to the previously acquired Charlevoix properties. The addition of the new claims creates a contiguous land package 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 property interests referred to as the Roncevaux and Martinville Property.

The Roncevaux Property is located in the Matapedia region of Gaspé, about 75 km south of Causapscal and the Martinville Property is located in the Eastern Township, 180 km east of Montreal, 30 km south of Sherbrooke.

Under the terms of the arm's length transaction, the Company 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.

The Company has allowed various claims of the Roncevaux and Martinville Property interests to expire as it focuses its resources on its other portfolio of exploration and evaluation properties.

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. Under the terms of the arm's length transaction, the Company issued 5,000,000 common shares of the Company at $0.055 per share with a fair value of $275,000.

During the year ended September 30, 2024, the Company acquired additional claims in the area.

The Company also entered into a royalty agreement with respect to the 1% royalty on gross revenues from the sale of pure hydrogen arising from the lands underlying the properties acquired by the Company.

During the year ended September 30, 2025, the Company expanded its interest in the Ville Marie area across the provincial border into Ontario by staking and securing acreage along the prolific Riviere Blanche fault and with additional land position over the entire Temiscamingue hydrogen district across both Quebec and Ontario.

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 with a fair value of $80,000.

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.

Subsequent to the year ended September 30, 2025, the Company announced the sale of its interest in the River Valley Project to Sila Mining Corp. ("Sila"). Under the terms of the sales agreement, the Company will receive:

- 6,000,000 common shares of Sila;
- Cash consideration of up to $500,000;
- A 2% gross-sales royalty on all silica products produced from the project; and
- The right to nominate one director to Sila's Board of Directors

Closing of the transaction is subject to customary conditions and regulatory approvals.

Cumberland Basin Project

During the year, the Company staked claims and established and began exploration and evaluation activities in the Cumberland Basin, Nova Scotia. The Company staked exploration claims that strategically targets geological structures conducive for their natural hydrogen and helium potential.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information for the Company for the financial years ended September 30, 2025, 2024 and 2023. The information below was derived from the Company's audited financial statements and should be read in conjunction with those financial statements and the notes thereto.

	September 30, 2025 ($)	September 30, 2024 ($)	September 30, 2023 ($)
Total revenues	Nil	Nil	Nil
Loss for the year	(1,850,692)	(2,455,759)	(1,964,860)
Loss per share(1)	(0.02)	(0.03)	(0.03)
Total assets	2,016,483	1,107,736	735,311
Total current liabilities	922,831	184,263	254,232
Working capital	936,304	892,375	481,079

(1) Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

RESULTS OF OPERATIONS

Loss for the year

The Company reported a net loss and comprehensive loss of $1,850,692 for the year ended September 30, 2025 compared to a loss of $2,455,759 for the corresponding year ended September 30, 2024.

- For the year ended September 30, 2025, the Company incurred $80,000 in consulting fees compared to $100,000 for the year ended September 30, 2024. The increased costs can be attributed to business development, and other marketing initiatives the Company was involved in during the year.

- For the year ended September 30, 2025, the Company incurred $482,711 in corporate development costs compared to $153,543 for the year ended September 30, 2024. The increased cost can be attributed to the Company actively promoting its corporate profile at various investor group presentations.

- General and administrative costs were $147,648 and $63,157 for the years ended September 30, 2025 and 2024, respectively. These costs relate to insurance, rent, office supplies and other general costs in maintaining an office. The higher costs can be attributed to increased costs in administration and additional premise rent costs.

- The Company incurred $958,990 in exploration activity during the year ended September 30, 2025 compared to $718,986 during the year ended September 30, 2024. The Company had increased its exploration and development work in Nova Scotia in anticipation of a drill program planned for 2026.

- For the year ended September 30, 2025, the Company incurred professional fees totalling $276,489 to $52,346 for the year ended September 30, 2024. These costs can be attributed audit and legal fees during the year. The Company incurred higher legal fees as the Company expanded its operations in Canada and the United States.

- Share-based payments were $550,808 and $1,353,600 for the years ended September 30, 2025 and 2024, respectively. As the Company was actively recruiting a management team, the Company incurred these share-based incentives to attract qualified candidates.

Total assets

Total assets of the Company were $2,016,493 as at September 30, 2025 compared to assets of $1,107,736 as at September 30, 2024. The increase can largely be attributed to $955,000 (FY2024 - $nil) in marketable securities as at September 30, 2025. These securities were issued to the Company for various collaborative agreements it had entered into with various companies also in the hydrogen exploration sector. The fair values of the marketable securities are determined at each reporting date by referencing the closing market prices of their common shares.

- During the year ended September 30, 2025, the Company entered into a collaboration agreement with DiagnaMed Holdings Corp. ("DiagnaMed"), a hydrogen production technologies and artificial intelligence applications company. This collaboration allows Diagnamed to use and test its hydrogen extraction technology on the Company's exploration assets. The Company has received 2,000,000 common shares of DiagnaMed as consideration for this collaboration agreement. The initial fair value of the shares was $80,000 and was recognized as other income in profit or loss. As at September 30, 2025, the fair value of the shares is $210,000.

  The Company and DiagnaMed have common directors and a common officer.

- During the year ended September 30, 2025, the Company entered into an advisory agreement with Record Resources Inc. ("Record") which holds an option to acquire a property in the Temiskaming hydrogen camp, directly adjacent to the Company's Ville Marie Project. As consideration for the advisory services provided, the Company received 6,750,000 common shares of Record and a 1% Gross Revenue Royalty ("GRR") from the sale of hydrogen or any other mineral product from the Property. Record may acquire half of the GRR at any time for $1,000,000. The initial fair value of the shares was $371,250 and was recognized as other income in profit or loss. As at September 30, 2025, the fair value of the shares is $405,000.

- During the year ended September 30, 2025, the Company entered into an advisory agreement with Q Precious & Metals Corp. ("QMET") which holds hydrogen properties in Matane, Quebec and, in the Colchester region in Nova Scotia near the Company's Ville Marie Project and Cumberland Basin Project. As consideration for the advisory services provided, the Company received 4,000,000 common shares of QMET. QMET has also granted the Company a 0.8% royalty on revenues from the sale of any hydrogen or other minerals on the property (the "Royalty"). QMET may acquire half of the Royalty at any time for $800,000. The initial fair value of the shares was $320,000 and was recognized as other income in profit or loss. As at September 30, 2025, the fair value of the shares is $340,000.

Total liabilities

As at September 30, 2025, the current liabilities of the Company were $922,831 compared to $184,263 as at September 30, 2024.

The Company's current liabilities are primarily comprised of trade payables associated with its exploration activity at the Company's exploration and evaluation properties.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

	Revenue $	Net Loss $	Loss per share $	Total Assets $	Total Liabilities $	Working Capital $
September 30, 2025	Nil	242,441	0.00	2,016,483	922,831	936,304
June 30, 2025	Nil	874,276	0.01	918,060	453,375	327,983
March 31, 2025	Nil	202,397	0.00	1,605,741	491,775	976,563
December 31, 2024	Nil	531,578	0.01	848,058	190,433	590,860
September 30, 2024	Nil	1,834,113	0.02	1,107,736	184,263	892,375
June 30, 2024	Nil	187,822	0.00	554,985	90,899	464,086
March 31, 2024	Nil	15,780	0.01	195,147	147,892	47,255
December 31, 2023	Nil	418,044	0.00	187,399	124,365	63,034

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

It is the nature of many junior companies that there are no sales or revenues. There can be significant variances in the Company's reported loss from quarter-to-quarter arising from factors that are difficult to anticipate in advance or to predict from past results. Additionally, as the Company expenses its exploration costs, there can be significant fluctuations in spending that are weather dependent.

FOURTH QUARTER RESULTS

For the three month period September 30, 2025, the Company realized a net loss of $242,441 compared to a loss of $1,834,113 for the three month period ended September 30, 2024. The decreased loss for the three-month period ended September 30, 2025 can largely be attributed to the following:

- For the three-month period ended September 30, 2025, the Company recognized $178,908 in share-based payments on the granting of 1,700,000 stock options. During the three-month ended September 30, 2024, the Company recognized $1,237,500 in share-based payments on the granting of 6,000,000 options. The estimated value of the stock options was determined by using the Black-Scholes Option Pricing Model.

- For the three-month period ended September 30, 2025, the Company incurred nil (FY2024 - $100,000). These fees were related to business development, and other marketing initiatives the Company was involved in during the previous period.

- For the three-month period ended September 30, 2025, the Company incurred $121,632 in corporate development costs compared to $65,555 for the three-month period ended September 30, 2024. These costs can be attributed to the Company actively promoting its corporate profile at various investor conferences and presentations.

- General and administrative costs were $69,014 and $17,301 for the three-month periods ended September 30, 2025 and 2024 respectively. These costs relate to insurance, rent, office supplies and other general costs in maintaining an office. The decreased costs can be attributed to decreased administrative activities during the period.

- The Company incurred $377,214 in exploration activity during the three-month period ended September 30, 2025 compared to $322,989 during the three-month period ended September 30, 2024. The Company was extremely active in its Nova Scotia exploration and evaluation asset as it prepares to initiate drilling program in 2026.

- For the three-month period ended September 30, 2025, the Company incurred professional fees totalling $26,253 compared to $11,787 for the three-month period ended September 30, 2024. The increased cost can be attributed to the expansion of the Company into the Maritimes and into the United States.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal business activities include the acquisition and exploration of mineral resource properties. The Company's future financial success is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

In order to finance the Company's operations and overhead expenditures, the Company will be dependent on investor sentiment remaining positive towards the junior companies, and towards the Company in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support junior exploration companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's 2025 audited consolidated financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

The Company has not financed its activities through loan financings. It is anticipated that as general sentiment towards junior companies turns positive, the Company can raise the necessary capital to finance its business objectives.

Debt financing has not been used to finance general operating expenses. There are no other sources of financing that have been arranged by the Company.

The Company had working capital of $936,304 as at September 30, 2025 compared to working capital of $892,375 as at September 30, 2024. The increase in working capital can largely be attributed to the proceeds received from the issuance of shares from the exercise of options and warrants.

The Company has no commitments for capital expenditures.

Cash and Financial Conditions

The Company had a cash balance of $794,701 as at September 30, 2025 compared to a cash balance of $928,518 as at September 30, 2024. The decrease in cash can largely be attributed to the increased activities associated with the development of its exploration and evaluation assets. The Company had incurred exploration and evaluation costs of $958,990 during the year-ended September 30, 2025 compared to $718,986 during the year-ended September 30, 2024.

The Company also realized gross proceeds from exercise of options and warrants totalling $1,470,063 for the year ended September 30, 2025 compared to gross proceeds of $1,056,000 for the year-ended September 30, 2024.

During the year-ended September 30, 2024, the Company received gross proceeds $525,000 on the issuance of 17,500,000 common shares through a private placement.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.
The Company does not use hedges or other financial derivatives.

Financing Activities

During the year-ended September 30, 2025, the Company issued the following common shares:

- The Company issued an aggregate of 3,100,000 common shares on the exercise of 3,100,000 stock options at a weighted average exercise price of $0.16 per option for cash proceeds of $505,000. The weighted average market price of the Company's common shares on exercise of the options was $0.31.

- The Company issued an aggregate of 14,690,000 common shares on the exercise of 14,690,000 warrants with a weighted average exercise price of $0.07 per warrant for cash proceeds of $965,063. The weighted average market price of the Company's common shares on exercise of the warrants was $0.26.

During the year-ended September 30, 2024, the Company issued the following common shares:

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

  Each Unit is comprised of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant shall entitle the holder thereof to acquire one additional common share at a price of $0.05 expiring on May 23, 2026.

  Of the 17,500,000 Units issued, 14,375,000 Units (proceeds of $431,250) were issued pursuant to the Listed Issuer Financing Exemption ("LIFE") under Part 5A of National Instrument 45-106 - Prospectus Exemptions (the "Listed Issuer Financing Exemption") 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 an officer 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. A residual value of $87,500 was attributed to the Warrants and was allocated to the Share-based Payments Reserve.

  In connection with the Offering, the Company has paid finder's fees in the amount of $36,447 and issued 1,076,250 Finder Warrants (each a "Finder Warrant"). Each Finder Warrant entitles the holder to acquire one additional Common Share at an exercise price of $0.05 and expiring May 23, 2026. The Company recognized a fair value of $15,900 for the Finder Warrants.

  The fair value of the 1,076,250 Finder Warrants was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 4.31%, a dividend yield of nil, an expected annual volatility of the Company's share price of 148%, an expected life of 2 years, and a spot price of $0.025. The fair value of the Warrants was $0.015 per warrant. The risk-free interest rate is 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 Company issued an aggregate of 5,150,000 common shares on the exercise of 5,150,000 stock options at a weighted average exercise price of $0.05 per option for cash proceeds of $257,500. The weighted average market price of the Company's common shares on exercise of the options was $0.23.

- The Company issued an aggregate of 12,205,000 common shares on the exercise of 12,205,000 warrants with a weighted average exercise price of $0.07 per warrant for cash proceeds of $798,500. The weighted average market price of the Company's common shares on exercise of the warrants was $0.26.

Investing Activities

During the year ended September 30, 2025, the Company had cash out flows of $155,350 (FY2024 - $31,098) from its investing activities attributed to the purchase of capital equipment.

SECURITIES OUTSTANDING

As at September 30, 2025, the Company had 128,554,001 common shares issued and outstanding.

As at September 30, 2025 and the date of this MD&A, the Company had 3,633,750 warrants issued with a weighted average exercise price of $0.05 issued and outstanding.

As at September 30, 2025, the Company had 9,950,000 options with a weighted average exercise price of $0.20 issued and outstanding.

Subsequent to the period ended September 30, 2025, the Company issued 100,000 common shares of the Company on the exercise of 100,000 options for gross proceeds of $25,000. The exercise price of the options were $0.25 per warrant.

Subsequent to the year-ended September 30, 2025, the Company granted 1,750,000 Restricted Share Units ("RSUs") and 2,500,000 stock options to certain directors, officers. The RSUs will vest in three equal installments over a three-year period at a deemed price of $0.40 per RSU. The stock options will vest immediately, expire in two years and are exercisable at $0.40 per option. The RSUs will be awarded is subject to shareholder approval of a proposed Share Compensation Plan.

As at the date of this MD&A, the Company had 128,654,001 common shares issued and outstanding.

As at the date of this MD&A, the Company had 12,350,000 options with a weighted average exercise price of $0.24 issued and outstanding.

As at the date of this MD&A, the Company had granted 1,750,000 Restricted Share Units at a price of $0.40 per unit.

OUTLOOK

It is anticipated that in the continued and foreseeable future, the Company will rely on the equity markets to meet its financing needs. Should cash flow build through its business operations, the Company will be in a position to finance other initiatives from cash flow.

Without continued external funding to pursue and finance any business opportunities, there is substantial doubt as to the Company's ability to operate as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve successful business results or obtain adequate financing. Management and the Board of Directors continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2025 and the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

The following is a summary of the related party transactions that occurred during the years ended September 30, 2025 and 2024.

The Company has determined that key management personnel consist of its Directors, the CEO and the CFO.

Transactions with key management personnel include:

	Year-ended September 30, 2025	Year-ended September 30, 2024
Management fees paid to a company controlled by the CEO and director of the Company	$ 150,000	$ 62,250
Management fees paid to a company controlled by the former CEO and former director of the Company	-	6,000
Management fees paid or accrued to a company controlled by the CFO of the Company	49,500	42,000
Consulting fees paid or accrued to an independent director of the Company	-	50,000
Management fees paid to the independent directors of the Company	12,000	13,500
Management fees paid to the former independent directors of the Company	3,500	-
Share-based payments	532,171	841,357
	$ 747,171	$ 1,015,107

b) Other related party transactions

i) During the year ended September 30, 2025, the Company incurred $48,000 (2024 - $44,000) in general and administration costs to a company controlled by a director of the Company. As at September 30, 2025, $4,200 (2024 - $4,000) of this amount is included due to related parties.

ii) During the year ended September 30, 2025, the Company incurred $40,000 (2024 - nil) in consulting fees to a company controlled by a former director of the Company. As at September 30, 2025, $58,533 (2024 - nil) of this amount is included in trade and other payables.

An aggregate of $109,890 (2024 - $27,752) is owing to directors and officers of the Company for accrued fees and expense reimbursements. Also, included in trade and other payables is $2,000 (2024 - nil) for accrued director fees. The amounts owing are unsecured, non-interest bearing and have no fixed terms for repayment.

On January 14, 2025, the Company entered into a collaborative agreement with Diagnamed Holdings Corp. ("DMED"). The Company and DMED have common directors and officers.

PROPOSED TRANSACTIONS

There are no proposed transactions other than those previously discussed in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical judgments

Title to Mineral Property Interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Key sources of estimation uncertainty

Share-based payments
The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

New standards and interpretations not yet adopted

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after October 1, 2025 or later periods. The new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only.

FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash and cash equivalents consists of funds held at a Canadian chartered bank or occasionally, in trust with the Company's corporate lawyer. Management believes the Company's exposure to credit risk is immaterial. The Company's exposure to and approach to the management of credit risk has not changed from that of the prior year.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Management does not believe the Company is exposed to material currency or interest rate. The Company's exposure to other price risk is discussed below. The Company's exposure to and approach to the management of market risk has not changed from that of the prior year, other than other price risk as noted below.

i) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to other price risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the September 20, 2025 value of marketable securities every 10% increase or decrease in the share prices of these companies would have impacted loss for the year, up or down, by approximately $95,500 (2024 - nil) before income taxes.

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations, cash and cash equivalents on hand and, the liquidity of its marketable securities. The Company's exposure to and approach to the management of liquidity risk has not changed from that of the prior year. The Company's trade and other payables have contractual maturities of less than 30 days and are subject to normal trade terms.

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at September 30, 2025 and 2024, the Company's financial instruments are cash and cash equivalents, marketable securities, trade and other payables and due to related parties.

The amounts reflected in the statement of financial position for cash and cash equivalents, trade and other payables and due to related parties approximate their fair values due to the short-term nature of these financial instruments. Marketable securities are measured at fair value within level 1 of the fair value hierarchy.

NOTICE OF MEDIATION AND ARBITRATION

On November 27, 2026, the Company was served with a Mediation and Arbitration request to settle the termination of consulting agreements between a former director and a former consultant. The Company is currently assessing the merits of the claims with it's legal council. No provisions for these claims have been provided for in the consolidated financial statements as the probability, amount and timing of settlement is uncertain.

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.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Quebec Innovative Materials Corp. can be found on the Company's website at www.qimaterials.com or on the SEDAR+ website at www.sedarplus.ca.