Quebec Nickel Corp.

Condensed Interim Financial Statements

For the Three- and Six-month Periods Ended September 30, 2023 and 2022

(Unaudited)

Notice to Reader

Under National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

Quebec Nickel Corp.

Condensed Interim Statements of Financial Position

(Stated in Canadian Dollars)

(Unaudited)

	Notes	September 30, 2023	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,722,021	$ 5,321,200
Amounts receivable		376,194	1,002,337
Prepaid expenses		42,134	307,824
Total current assets		2,140,349	6,631,361
Exploration and evaluation assets	**3**	14,549,888	11,050,050
TOTAL ASSETS		$ 16,690,237	$ 17,681,411
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	**7**	$ 925,443	$ 1,385,265
Flow-through share premium	**4**	270,365	1,201,400
Total current assets		1,195,808	2,586,665
Deferred tax liability	**4**	2,522,700	2,522,700
TOTAL LIABILITIES		3,718,508	5,109,365
Shareholders' equity			
Common shares	**5**	15,557,558	15,574,625
Share-based payments reserve	**6**	1,997,700	1,862,500
Deficit		(4,583,529)	(4,865,079)
Total equity		12,971,729	12,572,046
TOTAL LIABILITIES AND EQUITY		$ 16,690,237	$ 17,681,411
Nature and continuance of operations	**1**		
Subsequent event	**10**		

Approved on behalf of the Board of Directors:

"David Patterson"	*"Richard Dufresne"*
David Patterson, Director	Richard Dufresne, Director

The accompanying notes are an integral part of these condensed interim financial statements

Quebec Nickel Corp.

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Stated in Canadian Dollars)
(Unaudited)

	Notes	For the three-month period ended September 30, 2023	For the three-month period ended September 30, 2022	For the six-month period ended September 30, 2023	For the six-month period ended September 30, 2022
Expenses					
General and administrative		$ 48,582	$ 47,098	$ 98,412	$ 107,781
Management fees	**7**	103,334	32,000	209,835	53,000
Professional fees		100,530	63,156	111,589	103,508
Promotion and marketing		53,915	36,111	122,641	68,677
Share-based payments	**8, 9**	135,200	179,300	135,200	179,300
Transfer agent and filing fees		13,094	14,120	22,215	25,618
Travel		62	38,743	17,134	73,600
Loss before other items		(454,717)	(410,528)	(717,026)	(611,484)
Other income					
Flow-through share premium	**4**	490,660	-	931,035	-
Interest income		19,702	10,978	67,541	15,910
Income (loss) and comprehensive income (loss) for the period		$ 55,645	$ (399,550)	$ 281,550	$ (595,574)
Weighted average number of common shares outstanding					
Basic		115,344,205	71,740,902	115,344,205	71,740,902
Diluted		115,344,205	71,740,902	115,344,205	71,740,902
Basic and diluted income (loss) per common share		$ 0.00	$ (0.01)	$ 0.00	$ (0.01)

The accompanying notes are an integral part of these condensed interim financial statements

Quebec Nickel Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Share-based Payments		
	Number	Amount	Reserve	Deficit	Total
Balance at March 31, 2023	115,344,205	$ 15,574,625	$ 1,862,500	$ (4,865,079)	$ 12,572,046
Share issuance costs	-	(17,067)	-	-	(17,067)
Share-based payments	-	-	135,200	-	135,200
Net income (loss) for the period	-	-	-	281,550	281,550
Balance at September 30, 2023	115,344,205	$ 15,557,558	$ 1,997,700	$ (4,583,529)	$ 12,971,729

	Common Shares		Share-based Payments		
	Number	Amount	Reserve	Deficit	Total
Balance at March 31, 2022	71,616,438	$ 9,149,730	$ 1,245,933	$ (2,971,394)	$ 7,424,269
Common stock issued for cash					
Exercise of stock options	250,000	27,500	-	-	27,500
Exercise of warrants	823,000	82,300	-	-	82,300
Fair value of stock options exercised	-	23,125	(23,125)	-	-
Fair value of warrants exercised	-	584	(584)	-	-
Share-based payments	-	-	179,300	-	179,300
Net income (loss) for the period	-	-	-	(595,574)	(595,574)
Balance at September 30, 2022	72,689,438	$ 9,283,239	$ 1,401,524	$ (3,566,968)	$ 7,117,795

The accompanying notes are an integral part of these condensed interim financial statements

Quebec Nickel Corp.
Condensed Interim Statements of Cash Flows
(Stated in Canadian Dollars)
(Unaudited)

	For the six-month period ended September 30, 2023	2022
Operating activities		
Income (loss) for the period	$ 281,550	$ (595,574)
Item not involving cash:		
Flow-through share premium	(931,035)	-
Share-based payments	135,200	179,300
Changes in non-cash working capital items:		
Amounts receivable	626,144	(209,254)
Prepaid expenses	265,690	(402,366)
Trade and other payables	(1,255,490)	530,327
Net cash used in operating activities	(877,941)	(497,567)
Investing activity		
Exploration and evaluation assets, net	(2,704,171)	(3,824,444)
Net cash used in investing activity	(2,704,171)	(3,824,444)
Financing activities		
Share issuance costs	(17,067)	-
Proceeds from exercise of options	-	27,500
Proceeds from exercise of warrants	-	82,300
Net cash provided by financing activity	(17,067)	109,800
Change in cash and cash equivalents during the period	(3,599,179)	(4,212,211)
Cash and cash equivalents, beginning of period	5,321,200	7,151,340
Cash and cash equivalents, end of the period	$ 1,722,021	$ 2,939,129
Cash and cash equivalents consists of:		
Cash	$ 681,701	899,129
Short-term deposits	1,040,320	2,040,000
	$ 1,722,021	$ 2,939,129
Supplemental Cash Flow Information		
Income taxes paid	$ -	$ -
Interest paid (received)	$ -	$ -
Adjustment to exploration and evaluation assets to trade payables	$ 795,667	$ -

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Quebec Nickel Corp. (the "Company") was incorporated on September 18, 2020 pursuant to the Business Corporations Act (British Columbia). On June 21, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission. On July 5, 2021, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol 'QNI'.

These condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2023, the Company had not yet determined whether its mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets 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.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the relations between NATO and the Russian Federation regarding the situation in Ukraine, the growing conflict regarding Israel and the Gaza Strip and, the potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

As at September 30, 2023, the Company had not yet achieved profitable operations, had an accumulated deficit of $4,583,529 since inception, and expects to incur further losses in the development of its business. These events and conditions indicate a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its mineral property exploration activities. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

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

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements, including comparatives, are unaudited and have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

b) Basis of presentation

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's financial statements for the year-ended March 31, 2023.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published and effective at the time of preparation.

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

c) Approval of the financial statements

The financial statements of the Company for the three-and six-month periods ended September 30, 2023 were reviewed, approved and authorized for issue by the Board of Directors on November 28, 2023.

d) Recent accounting pronouncements and changes to accounting policies

At the date of authorization of these financial statements, the IASB and IFRIC have issued new and revised Standards and Interpretations which are not yet effective, and none of which are expected to have a material impact on the financial statements.

3. EXPLORATION AND EVALUATION ASSETS

On October 6, 2020, the Company entered into an agreement with Val-D'Or Mining Corporation ("Val-d'Or") for the purchase of 100% interest in a mineral property, referred to as the Ducros Property, located in the Val d'Or area of Quebec, Canada. The Company issued 3,589,341 special warrants at their fair value of $0.05 for the purchase of the mineral property. The 3,589,341 special warrants were subsequently converted, at no additional cost, into 3,589,341 common shares of the Company.

As of September 30, 2023, the Company has staked 282 contiguous mining claims covering 15,293 hectares.

(Stated in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued):

The Company is subject to net smelter return royalties and an associated area of interest which includes the additional staked property. Commencing on October 6, 2024, the Company shall pay to Val-d'Or advance minimum yearly royalty payments of $10,000.

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For the six-month periods ended September 30, 2023 and 2022, the Company incurred the following expenditures:

	For the six-month period ended September 30, 2023	For the six-month period ended September 30, 2022	Cumulative expenditures to September 30, 2023	Cumulative expenditures to September 30, 2022
Acquisition Costs				
Land acquisition	$ -	$ -	$ 211,850	$ 211,850
Exploration Costs				
Assays	454,510	264,391	1,580,941	313,417
Biochemistry	9,760	92,660	124,992	92,660
Consulting	18,383	23,004	33,487	35,104
Drilling	1,314,092	1,090,104	4,987,731	1,474,457
Environmental baseline	38,715	-	38,715	-
Equipment rentals	101,151	141,181	902,333	144,069
Geochemistry	50,449	-	50,449	-
Geology	849,886	1,393,379	3,810,420	1,832,284
Geophysics	57,165	615,966	1,173,721	920,500
Lodging and meals	239,806	38,275	431,116	47,827
Metallurgy	55,259	-	55,259	-
Permits and licenses	9,163	47,719	148,364	92,136
Supplies and materials	315,886	117,765	1,123,256	197,165
Exploration tax credit	(14,387)	-	(122,746)	-
	3,499,838	3,824,444	14,338,038	5,149,619
Total exploration & evaluation expenditures	$ 3,499,838	$ 3,824,444	$ 14,549,888	$ 5,361,469

4. DEFERRED TAX LIABILITY AND FLOW-THROUGH SHARE PREMIUM LIABILITY

During the year-ended March 31, 2023, the Company issued an aggregate of 26,530,367 of flow-through shares (each, a "FT Share") for gross proceeds of $6,570,288. The flow-through premium was determined to be $2,002,700 and recognized that amount as a liability prior to the renunciation of the exploration expenditures. The Company recognizes the settlement of the flow-through premium liability on the incurrence of eligible expenditures.

Effective December 31, 2022, the Company renounced $6,570,288 in flow-through expenditures. The renunciation of expenditures created a deferred tax liability of $1,212,200.

Effective December 31, 2021, the Company renounced $6,600,000 in flow-through expenditures. The renunciation of expenditures created a deferred tax liability of $1,310,500.

(Stated in Canadian Dollars)

5. COMMON SHARES

a) Authorized:

An unlimited number of common shares with no par value.

b) During the six-month period ended September 30, 2023, there were no common shares issued by the Company.

During the six-month period ended September 30, 2022, the Company issued 250,000 common shares pursuant to the exercise of 250,000 stock options at a weighted average price of $0.11 per share for gross proceeds of $27,500 and, issued 823,000 common shares pursuant to the exercise of 823,000 warrants at $0.10 per share for gross proceeds of $82,300.

6. SHARE-BASED PAYMENTS RESERVE

a) Warrants:

The changes in warrants issued is as follows:

	Six-month period ended September 30,					
	2023			2022		
	Number of warrants		Weighted-average exercise price	Number of warrants		Weighted-average exercise price
Balance at April 1,	14,160,371	$	0.30	17,745,949	$	0.17
Exercised	-		-	(823,000)		0.10
Balance, September 30,	14,160,371	$	0.30	16,922,949	$	0.18

Warrants exercisable and outstanding as at September 30, 2023 are as follows:

Expiry Date	Number of warrants		Exercise Price
October 20, 2023	250,000	$	0.35
November 4, 2023	4,464,025		0.32
November 4, 2023	1,904,524		0.24
December 9, 2024	6,264,722		0.30
December 29, 2024	1,277,100		0.30
	14,160,371	$	0.30

(Stated in Canadian Dollars)

6. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options

On August 3, 2022, the Company adopted an option plan in accordance with the rules and policies of the CSE. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of the grant of the stock options, and (b) the date of grant of the stock options, and the term may not exceed 10 years. The aggregate number of securities available for issuance under the plan may not exceed 10% of the number of common shares of the Company issued and outstanding from time to time.

On August 10, 2023, the Company granted 4,000,000 stock options to various directors, officers and consultants at an exercise price of $0.05. The stock options expire on August 9, 2025 and vested immediately upon grant. The Company recognized $135,200 for share-based payments.

The fair value of the 4,000,000 stock options was estimated using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 4.80%, a dividend yield of nil, a weighted average expected annual volatility of the Company’s share price of 135% and an expected life of 2 years. The fair value of the stock options was $0.034 per option. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. 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 options’ expected life.

On August 29, 2022, the Company granted 1,775,000 stock options to directors, officers, and consultants, at an exercise price of $0.15. The stock options expire on August 29, 2024 and vested immediately upon grant. The Company recognized $179,300 for share-based payments.

The fair value of the 1,775,000 stock options was estimated using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 3.60%, a dividend yield of nil, a weighted average expected annual volatility of the Company’s share price of 135% and an expected life of 2 years. The fair value of the stock options was $0.101 per option. The expected volatility assumption is based on the estimated volatility of comparable early-stage mineral exploration companies. 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 options’ expected life.

The changes in stock options is as follows:

	Six-month period ended September 30,					
	2023			2022		
	Number of options		Weighted-average exercise price	Number of options		Weighted-average exercise price
Balance at April 1,	6,725,000	$	0.23	5,700,000	$	0.25
Granted	4,000,000		0.05	1,775,000		0.15
Exercised	-		-	(250,000)		0.11
Balance, September 30,	10,725,000	$	0.16	7,225,000	$	0.25

(Stated in Canadian Dollars)

6. SHARE-BASED PAYMENTS RESERVE (continued):

b) Stock Options (continued):

Stock options exercisable and outstanding as at September 30, 2023 are as follows:

Expiry Date	Number of options		Exercise Price
November 24, 2023	3,150,000	$	0.30
December 15, 2023	200,000		0.25
February 9, 2024	800,000		0.25
August 29, 2024	1,725,000		0.15
August 9, 2025	4,000,000		0.05
July 28, 2026	850,000		0.11
	10,725,000	$	0.16

7. RELATED PARTY TRANSACTIONS

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.

The following is a summary of the related party transactions that occurred during the three- and six-month periods ended September 30, 2023 and 2022.

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

	Three-month period ended September 30,		Six-month period ended September 30,	
	2023	2022	2023	2022
Management fees paid to a company controlled by the former CEO of the Company	$ 16,667	$ -	$ 38,334	$ -
Management fees paid to a company controlled by the interim CEO of the Company	29,168	-	57,502	-
Management fees paid to a company controlled by the CFO of the Company	37,500	18,000	75,000	36,000
Consulting fees paid to a company controlled by the VP Exploration of the Company	62,490	64,500	124,980	127,500
Management fees paid to the independent directors of the Company	10,000	14,000	24,000	20,000
Share-based payments	77,740	116,168	77,740	116,168
Total	$ 233,565	$ 212,668	$ 397,555	$ 299,668

As at September 30, 2023, $29,396 (2023 - $23,625) is owing to related parties and is included in accounts payable.

(Stated in Canadian Dollars)

8. FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Company's main financial risks exposure and its financial policies are as follows:

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 are 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 Canadian chartered banks or occasionally, in trust with the Company's corporate lawyer. Management believes the Company's exposure to credit risk is minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had a cash and cash equivalents balance of $1,722,021 to settle trade liabilities of $925,443. The Company expects to fund future expenditures through the issuance of capital stock.

A summary of the short-term investments held by the Company is as follows:

Maturity date		Principal	Interest rate per annum
February 24, 2024	$	40,320	1.75%
January 17, 2025		1,000,000	4.45%
	$	1,040,320	4.35%[1]

[1] Weighted-average interest rate per annum

c) 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 other price risk.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash and cash equivalents comprise $1,040,320 held at a Canadian chartered bank in cashable GICs which bear interest ranging from 1.75% to 4.45% per annum as at September 30, 2023.

8. FINANCIAL INSTRUMENTS (continued):

d) Interest rate risk (continued):

The Company had no interest rate swaps or financial contracts in place as at or during the six-month periods ended September 30, 2023 and 2022.

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, 2023, the Company's financial instruments are cash and cash equivalents and trade and other payables. The amounts reflected in the statement of financial position approximate their fair values due to the short-term nature of these financial instruments.

There has been no changes in the Company's management of risks associated with financial instruments during the six-month periods ended September 30, 2023 and 2022.

9. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares and its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and explore mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new equity instruments.

As the Company's mineral property is in the exploration stage, the Company is dependent on external financing to fund its activities. In order to carry out its operations, the Company will spend its existing working capital and raise additional amounts as needed.

There were no changes in the Company's approach to capital management during the six-month periods ended September 30, 2023 and 2022.

10. SUBSEQUENT EVENT

Subsequent to the six-month period ended September 30, 2023, an aggregate of 6,618,549 warrants with a weighted average exercise price of $0.30 and, 3,150,000 stock options with an exercise price of $0.30, expired unexercised.