GRAPHITE ONE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2025

As of August 27, 2025

Graphite One

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The Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations for Graphite One Inc. (the "**Company**" or "**Graphite One**") (TSXV: GPH and OTCQX: GPHOF) should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2025, and the related notes thereto ("**Financial Statements**"). These Financial Statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"), including IAS 34 Interim Financial Reporting. For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca.

This MD&A is prepared by management and approved by the Board of Directors as of August 27, 2025. The information and discussion provided in this MD&A is for the three and six months ended June 30, 2025, and where applicable, the subsequent period up to the date of this MD&A. All dollar amounts in this MD&A and the Financial Statements are expressed in United States dollars. Reference to "$" in this MD&A is the US dollar and reference to "CA$" is the Canadian dollar.

Cautionary Statement on Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this MD&A. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with regulatory and permitting considerations, financing of the Company and its activities, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements are based on certain assumptions that the Company has made in respect thereof as at the date of this MD&A regarding, among other things: economic and operating conditions, including commodity prices, interest rates, tariff rates, exchange rates, and inflation; the changes in market activity and growth will be consistent with industry activity in Canada and the U.S. and growth levels in similar phases of previous economic cycles; anticipated sources of funding being available to the Company on terms favourable to the Company; the success of the Company's operations and growth prospects; the Company's competitive position, operating costs remaining substantially unchanged; that counterparties comply with contracts in a timely manner; the Company's plans to submit a financing application with Export-Import Bank of the Unites States and the prospects of successfully securing financing on acceptable terms, or at all; that there are no unforeseen events preventing the performance of contracts; that there are no unforeseen material costs in relation to the Company's operations; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; increases to the Company's share price and market capitalization over the long term; the Company's ability to repay debt, if any, and return capital to shareholders; the Company's ability to obtain and retain qualified personnel (including those with specialized skills and knowledge), technology and equipment in a timely and cost-efficient manner; the Company's ability to access capital and insurance; operating and borrowing costs, including costs associated with the acquisition and maintenance of equipment and property; an increased focus on ESG, sustainability and environmental considerations in the mining industry; the impacts of climate-change on the Company's business; the current business environment remaining substantially unchanged; future acquisition and maintenance costs; the Company's ability to achieve its ESG and sustainability targets and goals and the costs associated therewith; and other risks and uncertainties described from time to time in filings made by the Company with securities regulatory authorities.

It is important to note that:

- unless otherwise indicated, forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A;
- readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other facts affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize; and
- the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

Investors are urged to read the Company's filings with the Canadian securities regulatory agencies which unless specifically incorporated herein are not part of this MD&A; these filings can be viewed online at the Company's profile on SEDAR+ at www.sedarplus.ca.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

Nature of Operations

The Company is focused on developing its Graphite One Project (the "**Project**"), aimed at making the Company the dominant North American producer of both artificial graphite ("**AG**") and natural graphite ("**NG**") anode active materials ("**AAM**") integrated with a graphite resource. The Project is envisioned as a vertically integrated enterprise to mine and process NG, and to manufacture both AG and NG AAM primarily for the electric vehicle battery and energy storage system markets. Management's current plan is for graphite to be mined from the Company's Graphite Creek Property (the "**Property**"), situated on the Seward Peninsula about fifty-five (55) kilometers (37 miles) north of Nome, Alaska, and to be processed into concentrate at a mineral processing plant located adjacent to the mine (the "**Graphite Creek Project**"). The resulting graphite concentrate would be shipped to the second link in the Company's proposed supply chain solution, a secondary treatment plant, where AAM and other value-added graphite products would be manufactured (the "**STP**"). With the Company's commitment to locate a STP in the U.S., the Company would provide a 100% U.S.-based advanced graphite materials supply chain. The Graphite Creek Project's updated mineral resource and reserve estimates were released on March 27, 2025 and the full Feasibility Study (the "**FS**") entitled "Graphite Creek Project – NI 43-101 Technical Report and Feasibility Study, Seward Peninsula, Alaska" prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") was filed on the Company's profile on SEDAR+ at www.sedarplus.ca on April 23, 2025.

Highlights

On August 22, 2025, the Company closed a LIFE offering of 14,784,554 units at a price of C$0.90 per unit, for aggregate gross proceeds of C$13,306,099. Each unit consists of one common share and one common share purchase warrant, exercisable at C$1.10 per share for a period of 24 months from date of issue. The Company agreed to use commercially reasonable efforts to list the warrants on the TSX Venture Exchange. The estimated costs associated with the share issuance are approximately C$1.3 million.

On June 4, 2025, the Company announced that it had entered into a second non-binding supply agreement (the "**Supply Agreement**") for AAM with Lucid Group, Inc. (NASDAQ: LCID), maker of advanced electric vehicles. The Supply Agreement is non-binding and commences once the Company begins production of natural graphite. The initial term is for 5 years, subject to earlier termination. Sales are based on a price formula agreeable to both parties. The Supply Agreement is subject to other terms, conditions and termination rights standard for an agreement of this nature.

On June 3, 2025, the Graphite Creek Project was added as a covered project on the FAST-41 Permitting Dashboard. FAST-41 streamlines the permitting process by providing improved timeliness and predictability through publicly posted timelines and procedures for federal agencies, reducing unpredictability in the permitting process. FAST-41 also provides issue resolution mechanisms, and the federal permitting dashboard allows all project stakeholders and the general public to track a project's progress, including periods for public comment.

On April 23, 2025, the Company announced the completion and filing the FS relating to the Company's Graphite Creek Project. Key highlights include:

- Annual graphite concentrate production capacity increased to 175,000 tonne per year ("tpy") from 53,000 tpy as detailed in the 2022 preliminary feasibility study ("PFS") while maintaining a 20-year mine life;
- Proven and Probable Reserve tripled (317%) from the reserve disclosed in the PFS;
- Measured plus Indicated Resource tripled (322%) from the resource disclosed in the PFS;
- Resource estimates were based on drilling just 12% of the graphite mineralized zone;
- The FS envisions the first 48,000 tpy of commercial AAM production by 2028, startup of the Graphite Creek Mine in 2030, and 169,000 tpy AAM production by 2031;
- Phased development strategy reduces upfront capital and aligns spending with Project milestones;
- Pre-tax: internal rate of return ("IRR") of 30%, net present value ("NPV") of $6.4 billion using an 8% discount rate, and a payback period of 7.3 years; and
- Post-tax: IRR at 27%, NPV of $5.0 billion using an 8% discount rate, and a payback period of 7.5 years.

Feasibility Study

On April 23, 2025, the Company released the results of the FS on the Graphite Creek Project which is planned as an integrated business operation to produce lithium-ion battery anode materials and other graphite products for U.S. domestic market on a commercial scale using primarily natural graphite produced from the Graphite Creek Mine (the "**Mine**"). The Project combines the operation of the STP, an advanced graphite manufacturing facility to be located in Ohio, subject to financing, and the supply of natural flake graphite from the Mine.

The Company will implement a capital risk reduction strategy that develops the STP in seven 25,000 tpy modules while the Mine completes permitting and construction. The modular approach allows for capital expenditures to be deployed in line with each phase of development, significantly reducing the upfront capital to $607 million, including $121 million of contingency, for the first 25,000 tpy module. Each subsequent module is estimated to cost $552 million, including contingency. As a result of this phased approach, the Company, subject to various conditions, expects to initially rely on purchased natural graphite of 50,000 tpy in 2028 to make 48,000 tpy of AAM, increasing purchases as processing capacity expands. Over time, purchased natural graphite would be phased out and replaced with graphite concentrate from the Mine, with a full transition to 175,000 tpy expected in 2031 to make 169,000 tpy of AAM, one year after the Mine is expected to begin commercial operations.

The following tables summarize the FS economics and operation costs:

Table 1: FS Economics

Economic Parameters		Project	STP	Mine
Pre-tax	NPV (8%)	$6,397 M		
	IRR	30%		
	Payback	7.3 Years		
Post-tax	NPV (8%)	$5,030 M		
	IRR	27%		
	Payback	7.5 Years		
Average Annual Production (t/year)			**256,510**	**175,000**
Initial and Sustaining Capital Costs [1]		$4,167 M	$3,136 M	$1,031 M
Capital Contingency Costs		$878 M	$784 M	$94 M
Total Capital Costs		**$5,045 M**	**$3,920 M**	**$1,125 M**

1. Non-IFRS Financial Measure as defined below

Table 2: Operating Costs

Operating Costs – Mine	**$/t Concentrate**	**LOM $ M**
Total Mined Graphite Concentrate	$610.0	$2,149
Total Transportation to Ohio	$372.4	$1,311
Total Mine and Transportation Costs	**$982.4**	**$3,460**
Operating Costs – STP	**$/t Production**	**LOM $ M**
Secondary Treatment Plant	$2,119	$11,804
Purchased Graphite Concentrate	$64	$355
Mined Graphite Concentrate & Transportation	$621	$3,460
Total Operating Costs - STP	**$2,804**	**$15,619**

The Project's post-tax IRR includes the estimated effects of Advanced Manufacturing Tax Credits provided under U.S. Internal Revenue Code Section 45X for qualifying anode active material and critical mineral production.

Based on the FS's updated graphite reserve estimate, the Mine's life for the purposes of the FS would be 20 years. The FS assumes the STP's operational life is 22 years based on its startup with purchased graphite and continued operation with graphite from the Mine.

The STP would produce a targeted average of 256,500 tpy of graphite/carbon products. About 169,000 tpy would be AAM, 25,000 tpy purified graphite products, and 31,000 tpy of unpurified graphite and carbon products. The non-AAM products would serve industrial and defense industry based sectors.

The AAM products are:

- CPN: Coated, spherical natural graphite;
- BAN: Blended natural and artificial graphites;
- SPN: Secondary particle natural graphite; and

- SPC: Secondary particle composite.

Based on the FS assumptions, the average price of all products over the STP's life is estimated at $7,843 per tonne. Product forecasts and prices have been developed based on numerous graphite market reports commissioned by or purchased by the Company, combined with the Company's internal information. The long-term market forecast is based on Benchmark Mineral Intelligence's various Q4 2024 price forecasts.

Secondary Treatment Plant

The STP is designed to produce lithium-ion battery AAM on a commercial scale for the U.S. domestic market using natural graphite from Alaska as soon as it is available. At full capacity, it requires about 89.3 hectares (220 acres) of land, consists of 88 buildings, and would target to produce 256,500 tonnes of manufactured graphite and carbon products annually. The products are grouped into battery AAMs, specialty purified graphite products, traditional unpurified graphite products, carbon raiser, and coke reject. The products are manufactured from natural graphite concentrate, artificial graphite, artificial graphite precursors, coke, and pitch. Key components of the manufacturing process are the purification of natural graphite and graphitization of artificial graphite precursors in high temperature, electrically heated furnaces. The STP's planned location is in Ohio to access both its relatively lower power rates, its skilled workforce, and location relative to potential customers.

Permitting, final design, and construction of the first 50,000 tpy of STP natural graphite capacity is expected to take three years. Modular build out of the total 175,000 tpy facility is expected to take about four more years depending on funding and customer demand.

The STP, at full capacity (Table 3), is designed to produce 169,000 tpy of AAM for the electric vehicle and energy storage battery markets; 25,000 tpy of purified, sized material for the specialty graphite market; and 31,000 tpy of unpurified and carbon products for the traditional graphite market. Total annual production is anticipated to be 256,500 tonnes based on the expected annual production capacity.

Table 3: STP Targeted Products and Estimated Prices

No.	Category	Name	Description	Purity (%Cg)	Ph 1 (tpy)	*Ph 2 (tpy)*	*Ph 3 (tpy)*	Ph4 (tpy)	$/t [1]
1	Anode Material	CPN	Coated, spherical NG	99.95	11,325	*22,651*	*33,976*	39,639	$8,424
2		BAN	Blended AG and NG	99.95	21,572	*43,144*	*64,716*	75,502	$11,563
3		SPN	Secondary Particle NG	99.95	3,474	*6,949*	*10,423*	12,160	$10,971
4		SPC	Secondary Particle Composite	99.95	12,024	*24,048*	*36,073*	42,085	$10,971
5	Purified	3299	+32 Mesh Purified	99+	110	*221*	*331*	386	$4,569
6		599	+50 Mesh Purified	99+	994	1,989	2,983	3,480	$3,884
7		899	+80 Mesh Purified	99+	1,104	2,209	3,313	3,866	$3,066
8		199	+100 Mesh Purified	99+	1,842	3,683	5,525	6,446	$2,547
9		Battery Conductor	-320 Mesh Purified	99.9	1,308	2,617	3,925	4,580	$5,357
10		Synthetic Diamond Precursor	-320 Mesh Purified	99.99	1,794	3,587	5,381	6,278	$5,974
11	Unpurified	3295	+32 Mesh	95+	180	360	540	630	$1,683
12		595	+50 Mesh	95+	1,620	3,240	4,860	5,670	$1,683
13		895	+80 Mesh	95+	1,799	3,598	5,397	6,297	$1,564
14		195	+100 Mesh	95+	3,000	6,001	9,001	10,502	$1,256
15		Carbon Raisers Lubricants	Carbon Raisers Lubricants	95+	8,842	17,685	26,527	30,948	$2,122
16		Coke Reject	Coke Reject	95+	2,298	4,596	6,894	8,043	$610
			Total		73,289	**146,577**	**219,866**	**256,510**	**$7,843**

[1] Artificial graphite AAM prices included equivalent of 48.7% tariff. Natural graphite AAM prices include equivalent of 20% tariff.

Graphite Creek Mine

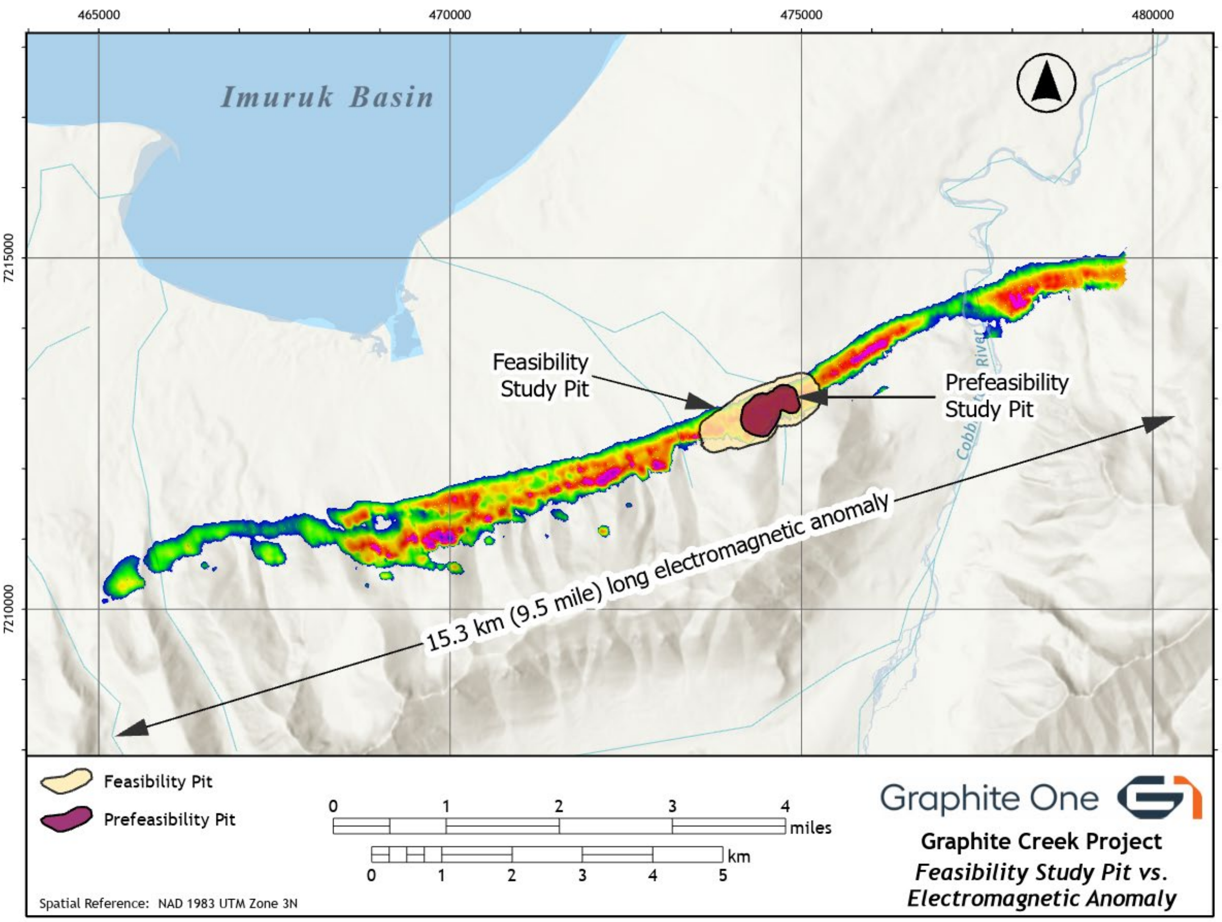
The Mine would produce an average of 175,000 tonnes per year of graphite concentrate for the projected 20-year mine life. The deposit would be mined with conventional open pit mining methods including drilling, blasting, loading, and hauling. The strip ratio in the FS plan is 3.2:1 with an ore variable cut-off grade of 2-3% graphitic carbon and an average head grade of 5.2% graphitic carbon. The pit would be mined in five phases over a period of 20 years. One year of pre-stripping would occur prior to the start-up of the process facility. Ore will be hauled to a process facility to be built adjacent to the pit. Run of mine waste would be comingled with dewatered process tails and placed in waste dumps**.**

The process facility would process an average of 10,000 tonnes per day for 365 days per year. The flowsheet design is based on metallurgical test work conducted at SGS Canada Inc.'s facilities at Lakefield, Ontario. The flowsheet consists of a jaw crusher that feeds a semiautogenous grinding circuit including flash flotation. After grinding, the ore is subjected to rougher flotation followed by a series of seven cleaner flotation and three regrind steps. The flotation/regrind steps are designed to recover the graphite at its largest possible flake size while still maintaining a concentrate with a graphitic carbon grade of greater than 95%. The graphite concentrate would be filtered and dried on site. The dried concentrate would be shipped by barge and rail from Nome, Alaska to the STP in Ohio during the annual shipping season. The tails from the flotation circuit would be dewatered, comingled with the waste rock, and placed in a lined waste storage facility. Any drainage from the lined waste storage facility would be treated through a water treatment plant prior to discharge.

Mineral Resources and Reserves

The Property comprises 23,680 acres (9,600 hectares) of State of Alaska mining claims. The claim block consists of 176 claims, of which 163 are wholly owned by Graphite One (Alaska) Inc. and 13 are leased to Graphite One (Alaska) Inc. G1's deposit is entirely on State land. The graphite mineral zone is exposed on the surface and strikes East/Northeast along the North Face of the Kigluaik Mountains. The FS Pit and Mineral Reserve footprint represents just 1.2 miles (1.9 km) of the 9.5 miles (15.3 km) long electromagnetic anomaly (Figure 1).

Figure 1: FS pit versus PFS pit superimposed on electromagnetic (EM) survey anomaly



The increase in resources and reserves was based on the 90 holes that were drilled in the resource area for a total of 13,482 meters of drilling during the 2022 to 2024 drilling program. The resource database consists of 22,806 assays. The resource remains open down dip, and along strike to the East and West.

The Mineral Resource estimate was updated with data through the 2024 drilling program and is effective as of March 25, 2025. The methodology used was the same as that described in the PFS. A lower cut-off grade of 2% was used for the 2022 and 2024 resource. The FS mineral resource estimate is presented in Table 4.

Table 4: 2024 Feasibility Study Mineral Resource Estimate 2.0% Cg Cutoff Grade[1]

Mineral Resource Classification	FS Tonnage (M tonnes)	FS %Cg	FS Cg (M tonnes)
Measured	5.10	5.3%	0.27
Indicated	99.60	4.5%	4.52
Measured + Indicated	***104.68***	***4.6%***	***4.80***
Inferred	268.10	4.3%	11.57

The 2023-2024 drilling program focused on converting Inferred Resources into Measured and Indicated, to allow annual graphite production to be increased in the FS. A comparison of the PFS and FS mineral resources can be seen in Table 5.

Table 5: Mineral Resource Comparison – 2024 FS vs 2022 PFS[1]

Mineral Resource Classification	PFS			FS			Difference		
	Tonnage M tonnes	%Cg	Cg M tonnes	Tonnage M tonnes	%Cg	Cg M tonnes	Tonnage M tonnes	%Cg	Contained Cg M tonnes
Measured	4.67	5.8%	0.27	5.10	5.3%	0.27	0.43	-0.5%	-
Indicated	27.87	5.2%	1.44	99.60	4.5%	4.52	71.73	-0.7%	3.09
M + I*	***32.54***	***5.3%***	***1.71***	***104.68***	***4.6%***	***4.80***	**72.14**	**-0.7%**	**3.09**
Inferred	254.67	5.1%	13.00	268.10	4.3%	11.57	13.43	-0.8%	(1.44)

**Measured + Indicated*

The FS Mineral Reserve estimate consists of 71.219 million tonnes of Proven and Probable material at an average diluted grade of 5.22% graphite, yielding 3.7 million tonnes of contained graphite. A variable cut-off grade between 2%-3% was used in calculating the proven/probable reserve. Table 6 shows the FS Mineral Reserve estimate for Graphite Creek as of March 25, 2025.

[1] Footnotes:

a) Mineral Resource Statement is effective as of March 25, 2025
b) Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability. There is no certainty that any part of a Mineral Resource will ever be converted into Reserves.
c) Inferred Mineral Resources represent material that is considered too speculative to be included in economic evaluations. Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Indicated or Measured Mineral Resources. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category.

Table 6: Graphite Creek Feasibility Study Mineral Reserve Estimate[2]

Mineral Reserve Classification	Feasibility Study		
	Tonnage (M tonnes)	%Cg	Cg (M tonnes)
Proven	4.10	5.8%	0.24
Probable	67.12	5.2%	3.48
Proven and Probable	***71.22***	***5.2%***	***3.72***

The FS Mineral Reserve estimate tonnage is 317% of the PFS reserve estimate and the contained graphite is 296% of the PFS estimate. A comparison of the PFS versus FS mineral reserve can be seen in Table 7.

Table 7: Mineral Reserve Comparison – 2024 FS vs 2022 PFS

Mineral Resource Classification	PFS			FS			Difference		
	Tonnage M tonnes	%Cg	Cg M tonnes	Tonnage M tonnes	%Cg	Cg M tonnes	Tonnage M tonnes	%Cg	Contained Cg M tonnes
Proven	3.81	6.0%	0.23	4.10	5.8%	0.24	0.29	-0.2%	0.01
Probable	18.70	5.5%	1.03	67.12	5.2%	3.48	48.42	-0.3%	2.45
P + P*	***22.50***	***5.6%***	***1.26***	***71.22***	***5.2%***	***3.72***	48.72	-0.4%	**2.46**

*Proven + Probable

[2]Mineral Reserve Footnotes:

a) Mineral Reserves follow CIM definitions and are effective as of March 25, 2025.
b) The Mineral Reserves are inclusive of mining dilution and ore loss.
c) Mineral Reserves are estimated using a raised variable cut-off of 2.0% Cg – 3.0% Cg which is required to maximize secondary treatment production. The economic value is calculated based on a net average Graphite Price of US$1,200/t (including transport & treatment charges), 3.5% - 8.0% royalty, and a mill recovery of 90%.
d) The final pit design contains an additional 7.6 Mt of Measured and Indicated resources between the raised cut-off grade (3.0% Cg) and the economic cut-off grade (2.0% Cg) at an average grade of 2.4% Cg. These resources have been treated as waste in the final mine production schedule.
e) The final pit design contains an additional 40.4 Mt of Inferred resources above the economic cut-off grade (2.0% Cg) at an average grade of 3.9% Cg. Inferred Mineral Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that any part of the Inferred Resources could be converted into Mineral Reserves.
f) Tonnages are rounded to the nearest 1,000 t, graphite grades are rounded to two decimal places. Tonnage measurements are in metric units.
g) Totals may not add due to rounding.

Qualified Persons and NI 43-101 Technical Report

The FS for the Project is incorporated in a NI 43-101 technical report that is available under the Company's SEDAR+ profile at www.sedarplus.ca and the Company's website. The affiliation and areas of responsibility for each of the independent Qualified Persons (as defined under NI 43-101) are as follows ("QPs"):

Qualified Person	Company	Responsibility
Jason Todd, QP	Barr Engineering	Primary QP
Chotipong Somrit, QP	Barr Engineering	OP Mining
Jed Greenwood, PE	Barr Engineering	OP Geotech
Jason Todd, QP	Barr Engineering	Economic Model
Robert Retherford, P.Geo.	Alaska Earth Science	Geology and Resource Estimate
Daniel R. Palo, P.Eng., PE	Barr Engineering	Primary Processing (AK)
Scott Phillips, PE	Barr Engineering	Water Treatment
Scott Phillips, PE	Barr Engineering	Water and Water Management
Arlene Dixon, PE	Hatch Engineering	STP Infrastructure
Jon Godwin, P. Eng.	Hatch Engineering	STP

The QPs for this MD&A are Robert Retherford, P.Geo. and Jason Todd, QP. Mr. Retherford has reviewed this MD&A and verified that it accurately represents the geology and resource estimate that is stated. Mr. Todd reviewed the overall content and confirms that it is accurate.

During the course of their work, the QPs have validated the data that each used in the formulation of the resource estimate and FS findings. This includes such items as: site inspections, core sampling and assays, laboratory test work, core logs, environmental and community factors, metallurgical test work, taxation and royalties, and surveys. Both existing and new data that was collected through the course of the study were validated and used by the various QPs to inform their work. Details regarding the data used and quality assurance and quality control procedures that were employed by each QP in the preparation of the resource estimate and FS will be included in the FS as well as further definition on the precise roles, qualifications, and responsibilities of each QP.

Project Expenditures

The following table summarizes the Project expenditures relating to the FS for the six months ended June 30, 2025:

Site Preparation, Drilling and Camp Operations	$	590,888
Project Management and Administration		1,511,828
Environmental Studies		903,444
Engineering		640,657
Geological Consulting		23,278
Capitalized Depreciation		190,317
Assays and Metallurgy		243,802
Capitalized Share-Based Payments		296,457
Community Consultation and Meetings		135,148
Land management and advanced royalties		62,404
Total Graphite Creek Expenditures		4,598,221
Secondary Treatment Plant		49,741
Less: Government Grants		(2,384,177)
Total Project Expenditures, net of Grant Reimbursements	**$**	**2,263,785**

Overall Performance and Results of Operations

The Company has generated no operating revenue to date. The Company relies on the issuance of common shares, debt, and more recently, government grants, to finance exploration on its exploration and evaluation property, work on the FS, and to provide general operating working capital. Most of the Company's expenditures related to the Project are reflected in the Financial Statements as exploration and evaluation property.

Selected Quarterly Financial Information

The following tables summarizes selected quarterly financial information as at and for the six months ended June 30, 2025 and as at December 31, 2024:

Six months ended		June 30, 2025		June 30, 2024
Net loss ($)	$	3,445,301	$	2,855,278
Basic and diluted loss per share ($)		0.03		0.02
Weight average number of common shares outstanding		132,750,632		135,050,707
Exploration and evaluation cash expenditures ($), excluding grants		4,334,657		6,751,602

As at		June 30, 2025		December 31, 2024
Current assets ($)	$	885,561	$	5,001,124
Exploration and evaluation property ($)		63,343,875		61,080,089
Total assets ($)		65,631,240		67,378,496
Current liabilities ($)		5,576,460		4,856,703

Results of Operations

The net loss for the three months ended June 30, 2025 was $1,882,003, an increase of $222,172 compared to a $1,659,831 net loss for the same period in 2024. The increase in net loss was primarily due to a $212,333 provision for estimated 2025 annual short-term incentive awards, $223,341 of project development expenses, in particular, lease payments, consultants, and project salary costs for the planned synthetic graphite plant project. These increases were partially offset by lower share-based payments and foreign exchange gains as the Canadian dollar strengthened approximately 5% against the U.S dollar during the second quarter.

The net loss for the six months ended June 30, 2025 was $3,445,301, an increase of $590,023 compared to a net loss of $2,855,278, for the same period in 2024. The increase was due primarily to a $493,768 provision for estimated 2025 annual short-term incentive awards, $255,751 of project development expenses for the planned synthetic graphite plant project. These increases were partially offset by decreases in legal fees of $64,329 and $84,977 in foreign exchange gains, as explained above.

Operating Expenses

	Three months ended June 30, 2025	Three months ended June 30, 2024	Increase (decrease)	Six months ended June 30, 2025	Six months ended June 30, 2024	Increase (decrease)
Expenses						
Project development, net of grant	$ 223,341	$ -	$ 223,341	$ 255,751	$ -	$ 255,751
Management fees, salaries and benefits	504,234	221,478	282,756	931,771	424,474	507,297
Marketing and investor relations	157,262	228,632	(71,370)	293,801	334,950	(41,149)
Consulting and advisory fees	132,860	63,000	69,860	222,288	127,498	94,790
Office and administration	198,034	161,375	36,659	296,413	238,419	57,994
Professional fees	123,164	113,123	10,041	177,785	257,675	(79,890)
Share-based payments	647,561	869,767	(222,206)	1,418,837	1,455,282	(36,445)
	$ 1,986,456	$ 1,657,375	$ 329,081	$ 3,596,646	$ 2,838,298	$ 758,348

Project Development, net of grant

Project development costs, net of grant reimbursements for the three months ended June 30, 2025, increased $223,341 as compared to $nil for the three months ended June 30, 2024. The increase is due to expenses incurred on the Ohio lease, project salary and benefits, and consulting fees associated with planning of the synthetic graphite plant project.

Project development costs, net of grant reimbursements for the six months ended June 30, 2025, increased $255,751 as compared to $nil for the six months ended June 30, 2024. The increase was due to expenses incurred on the Ohio lease, salary and benefits, and consulting fees associated with planning of the synthetic graphite plant project.

Management fees, salaries and benefits

Management fees, salaries and benefits for the three months ended June 30, 2025 increased $282,756 to $504,234 compared to $221,478 for the same period in 2024. The increase was due primarily to a $212,333 provision for estimated 2025 short-term incentive awards and a $51,975 decrease in salaries and benefits allocated to the FS

Management fees, salaries and benefits for the six months ended June 30, 2025 increased $507,297 to $931,771 compared to $424,474 for the same period in 2024. The increase was due primarily to a $493,768 provision for estimated 2025 short-term incentive awards.

Marketing and investor relations

Marketing and investor relations for the three months ended June 30, 2025 decreased $71,370 to $157,262 compared to $228,632 for the same period in 2024. The decrease reflects management's decision to scale back digital marketing campaigns.

Marketing and investor relations for the six months ended June 30, 2025 decreased $41,149 to $293,801 compared to $334,950 for the same period in 2024. The decrease reflects management's decision to scale back digital marketing campaigns, particularly in the second quarter.

Consulting and advisory fees

Consulting and advisory fees for the three months ended June 30, 2025 increased $69,860 to $132,860 compared to $63,000 for the same period in 2024. The increase was due primarily to hiring additional consulting firms experienced in Canadian government grants and United States federal grants.

Consulting and advisory fees for the six months ended June 30, 2025 increased $94,790 to $222,288 compared to $127,498 for the same period in 2024. The increase was due primarily to the engagement of consulting firms experienced in Canadian and United States federal grants, and corporate communications and strategic advisory services.

Professional Fees

Professional fees for the three months ended June 30, 2025 were relatively flat compared to the same period in 2024.

Professional fees for the six months ended June 30, 2025 decreased $79,890 to $177,785 compared to $257,675 for the same period in 2024. The decrease was due primarily to fewer commercial activities that required legal review.

Share-based payments

Share-based payments for the three months ended June 30, 2025 decreased $222,206 to $647,561 compared to $869,767 for the same period in 2024. The decrease was primarily due to amortizing awards granted at a lower value in the current period than in the same period in 2024.

Share-based payments for the six months ended June 30, 2025 decreased $36,445 to $1,418,837 compared to $1,455,282 for the same period in 2024. The decrease was due to amortizing awards granted at a lower value, which was largely offset by an increased number of awards allocated.

Summary of Quarterly Results

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

Quarter ended	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024
Net loss ($)	1,882,003	1,563,298	2,450,269	1,490,976
Basic and diluted loss per share ($)	0.01	0.01	0.02	0.01

Quarter ended	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
Net loss ($)	1,659,831	1,195,447	2,320,157	1,892,548
Basic and diluted loss per share ($)	0.01	0.01	0.02	0.01

The net loss for the second quarter of 2025 increased $318,705 to $1,882,003 compared to a $1,563,298 net loss for the first quarter of 2025. The variance was primarily driven by a reduction in grant reimbursements on developing a graphite-based foam fire suppressant product and increased project salaries allocated to project development, totaling $160,841. Additional contributing factors for the increased loss include $67,073 in fees for an executive compensation consulting firm engaged to review the executive compensation package and materials for the Annual General and Special Meeting, and $40,942 in costs related directly to the Annual General and Special Meeting.

Net loss for the first quarter of 2025 decreased $886,971 to $1,563,298 compared to a $2,450,269 net loss for the fourth quarter of 2024. The decrease was mainly attributed to decreased executive compensation costs related to the timing of the provision for the annual incentive award, share-based compensation, and less spending on digital marketing campaigns. The first quarter of 2025 included a provision for one-quarter of estimated short-term incentive award compared to a full year provision in the fourth quarter of 2024, and one-quarter of the directors' 2025 long-term incentive awards. Marketing expenses decreased primarily because the $273,679 cost in the fourth quarter, associated with the European digital marketing campaign promoting the Company's Project to European institutional and retail investors, was nil in the first quarter.

The net loss for the fourth quarter of 2024 increased $959,293 to $2,450,269 compared to a $1,490,976 net loss for the third quarter of 2024. The increase in net loss was primarily due to a provision for the annual performance bonus and commencement of a new digital marketing campaign initiated in the current quarter as referenced in the above paragraph.

The net loss for the third quarter of 2024 decreased $168,855 to $1,490,976 compared to a $1,659,831 net loss for the second quarter of 2024. The decrease in net loss was primarily due to salaries and consulting fees allocated to the Grant Projects and marketing expenses was lower by $100,000 as the digital marketing campaigns ended in early August 2024.

Liquidity, Capital Resources and Going Concern

The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from June 30, 2025.

As at June 30, 2025, the Company had a cash balance of $652,817 (December 31, 2024: $4,117,974), a working capital deficit of $4,690,899 (December 31, 2024: working capital balance $144,421). The decrease in cash and cash equivalents was due to $1,979,115 of cash used in operating activities, and $1,412,232 spent investing activities. There were no material financing activities to offset these expenditures during the year.

The Company has incurred losses since its inception and has not generated any cash inflow from the operations. Cash used in operating activities for the six months ended June 30, 2025 was $1,979,115 compared to $1,885,359 in 2024, an increase of $93,756, due primarily to increased spend on the Ohio synthetic graphite project.

For the six months ended June 30, 2025, the Company drew down the remaining $2.5 million (June 30, 2024: $12.9 million) of the $37.3 million under the terms of a DoD Technology Investment Grant (the "**Grant**"). As of June 30, 2025, no funds remain available under the Grant and all receivables have been received.

On April 14, 2025, the Company granted 583,015 RSUs to directors pursuant to the terms of the Company's Omnibus Plan. This grant represents one-half of the annual share-based payment awards to the directors for the calendar year 2025. The RSUs vest on April 14, 2026, one year from the grant date.

On July 23, 2025, the Company announced that it had entered into an engagement agreement with BMO Capital Markets, on behalf of a syndicate of agents (the "Agents"), in connection with a best-efforts private placement of up to C$18 million of units (the "Offering"). Each unit was to be issued at a price of C$0.90 and to consist of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitled the holder to acquire one additional common share at an exercise price of C$1.25 for a period of 12 months following the closing of the Offering. The Company also granted the Agents an option, exercisable in whole or in part up to 48 hours prior to closing, to purchase up to an additional 15% of the units on the same terms and conditions.

On August 18, 2025, the Company announced that it had amended the terms of the Offering. Under the revised terms, each unit consisted of one common share and one whole common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of C$1.10 per share for a period of 24 months following closing. The Company has also agreed to use commercially reasonable efforts to list the warrants on the TSX Venture Exchange following closing of the Offering. All other terms of the Offering remained the same as previously disclosed.

On August 22, 2025, the Company closed the Offering for aggregate gross proceeds of C$13,306,099.

On August 22, 2025, the board of directors approved a grant of long-term incentive awards for the calendar year 2025 to employees, officers, directors and advisors consisting of 410,000 Options, 3,024,730 RSUs and 2,441,716 PSUs pursuant to the terms of the Company's Amended Omnibus Plan.

The Options have an exercise price of $0.81 per share, being the closing price of the Company's shares on the TSXV on August 22, 2025. The Options vest one-third (1/3) on the first, second and third anniversary from the date of grant and will expire on August 22, 2030.

Each RSU and PSU will convert into one common share of the Company on each vest date. RSUs granted to management totaling 2,441,716 will vest one-third (1/3) on the first anniversary from the date of grant, and one-third (1/3) will vest on April 14, 2027 and April 14, 2028. One-half (1/2) of the 583,014 RSUs granted to directors will vest on the first anniversary from the date of grant, and the remaining will vest on September 30, 2026. The PSUs will vest April 13, 2028 subject to the achievement of certain corporate performance criteria.

Going Concern

As at June 30, 2025, the Company had a cash balance of $652,817 (December 31, 2024: $4,117,974), a working capital deficit of $4,690,899 (December 31, 2024: working capital of $144,421), and an accumulated deficit of $58,173,479 (December 31, 2024: $54,728,178). The Company has incurred losses since its inception and does not generate any cash inflow from operations. For the six months ended June 30, 2025, cash used in operating activities totaled $1,979,115 (2024: $1,885,359) and $4,334,657 (2024: $6,751,602) were spent on project related expenditures, excluding grant proceeds.

The Company's ability to continue to meet its administrative expenses, permit the Mine, and advance the design and engineering of the proposed synthetic graphite manufacturing facility in Ohio is uncertain and dependent on the continued financial support of its shareholders and on securing additional financing. Based on the current negative working capital and forecasted administrative and Project expenditures, including the Chenyu milestone payments, for the next twelve months, the Company will require additional financings to continue to operate. There can be no assurance that the Company will be successful in securing adequate funding through additional financings, which gives rise to material uncertainty that may cast significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. The Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

Related Party Transactions and Balances

Relationships	Nature of the relationship
Huston and Huston Holdings Corp.	Huston and Huston Holdings Corp. is a private company controlled by Anthony Huston, an officer and director of the Company which provides director and management services to the Company.
Rockford Resources LLC	Rockford Resources LLC is a private company controlled by Patrick Smith, a director of the Company which provides Patrick Smith's services as a director to the Company.
SSP Partners LLC	SSP Partners LLC is a private company controlled by Scott Packman, a director of the Company which provides Scott Packman's services as a director to the Company.
Taiga Mining Company, Inc. ("**Taiga**")	Taiga is a private mining company that owns more than 20% of the common shares of Graphite One. Taiga's owners are Jerry Birch and Kevin Greenfield.

		Three months ended June 30,		Six months ended June 30,	
Related Party	**Nature of Transaction**	**2025**	2024	**2025**	2024
Huston & Huston Holdings Corp.	Management fees	**$ 155,675**	$ 112,500	**$ 283,175**	$ 225,000
Rockford Resources LLC	Director fees	**7,500**	7,500	**15,000**	15,000
SSP Partners LLC	Director fees	**7,500**	7,500	**15,000**	15,000
		$ 170,675	$ 127,500	**$ 313,175**	$ 255,000

Amounts owing to related parties are non-interest bearing and unsecured and related to short-term incentive award obligations. As at June 30, 2025, the Company owed $1,202,554 (December 31, 2024 - $1,147,500) to related parties.

As at June 30, 2025, Taiga holds approximately 28% of the Company's outstanding common shares.

Key management and directors' compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and includes the President and Chief Executive Officer, Executive Chair, Chief Financial Officer, and four (4) Vice-Presidents. During the three and six months ended June 30, 2025, the Company charged $0.3 million and $0.8 million of key management compensation to exploration and evaluation property and the fire-fighting foam suppressant project, respectively.

Compensation paid to key personnel, which included the fees referenced in the above related party transactions table is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Management fees	**$ 155,675**	$ 112,500	**$ 283,175**	$ 225,000
Director fees	**30,000**	30,000	**60,000**	60,000
Salaries	**397,500**	417,500	**835,000**	855,000
Share-based payments	**694,471**	1,115,934	**1,583,699**	1,804,968
	$ 1,277,645	$ 1,675,934	**$ 2,761,873**	$ 2,944,968

Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and government grant receivables and has determined that such risk is minimal. To minimize counterparty risk, the Company holds a majority of its cash with financial institutions that have a long-term credit rating of at least A from Standard & Poor's or an equivalent rating agency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure. Further discussion on liquidity is outlined in note 2 of the Financial Statements. There can be no assurance that the Company can obtain additional financing on terms acceptable to the Company or at all.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments.

The Company had $652,817 in cash and cash equivalents as at June 30, 2025, on which it earns variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

At June 30, 2025, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the United States Dollar would result in an increase or decrease in the Company's net loss by $4,380 (December 31, 2024: $145,262).

Fair Values

The carrying values of cash and cash equivalents, accounts receivable, deposits, and trade and other accounts payable approximate their fair values due to their short-term nature or the ability to readily convert to cash.

Critical Accounting Estimates and Judgments in Applying Accounting Policies

Critical accounting estimates and judgments that have the most significant effect on the amounts recognized in the Financial Statements are disclosed in Note 4 of the audited December 31, 2024 financial statements.

Outlook

The Company's goal is to become a vertically integrated producer of both AG and NG AAM and other advanced graphite products by creating an integrated North American domestic supply chain. The ability of the Company to achieve this is contingent upon its ongoing ability to raise the capital necessary to advance its plans.

Permitting of the Mine will begin in the third quarter of 2025 with the submission of an application for a US Army Corp of Engineers ("USACE") Section 404 Permit for the dredge and fill of materials in wetlands.

A USACE ruling on the Section 404 Permit submission will determine if the permitting process will be completed under a National Environmental Protect Act ("NEPA") Environmental Impact Statement ("**EIS**") or Environmental Assessment ("**EA**"). This will ultimately determine the level of permitting effort and duration of the process. An EA can be completed in 12 months but has a higher risk of being challenged and delayed in court. An EIS can be completed in 24 months and can also be challenged in court but due to the more rigorous analysis, it can better withstand legal scrutiny and reduce the likelihood of successful court challenges.

Submission of the following major State of Alaska permits and authorizations will follow in due course:

Alaska Department of Environmental Compliance:

- Section 401 Clean Water Act water quality certification
- Alaska Pollution Discharge Elimination System permit
- Stormwater Pollution Prevention Plan
- Solid waste management permit
- Air quality control construction permit
- Air quality control operation permit

Alaska Department of Natural Resources:

- Water rights permit

With the signing of the Agreements with Chenyu, the Company plans to begin work on the design and engineering of the AAM plant with the engagement of a third-party engineering firm for engineering, procurement and construction management ("**EPCM**") services in the third quarter of 2025.

The Company continues to seek government funding to establish a pilot plant to conduct testing and research of advanced anode active materials for battery materials.

A potential EXIM loan financing and a second financing may come in the form of any one of, or a combination of, a joint venture arrangement, equity financing, and debt financing to cover the Company's costs associated with the AAM plant design and construction.

Risk Factors

Readers of this MD&A should give careful consideration to the information included or incorporated by reference in this document and the Financial Statements and related notes for the three and six months ended June 30, 2025. For further details of risk factors, please refer to the Annual Financial Statements, and the discussions below.

This section does not describe all the risks applicable to the Company, its industry or its business, and is intended only as a summary of certain material risks of significance to this MD&A. If any of the risks or uncertainties set out in this MD&A actually occur, the Company's business, financial condition, operating results or share price could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A.

Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Mining Risks

The Company is subject to risks typical in the mining business including uncertainty of success in exploration and development; unusual and unexpected geological formations, possible flooding and other conditions involved in drilling and removal of material, mitigation of possible environmental impacts, and the occurrence of other unexpected hazards. Risks also include the possibility that intended drilling schedules or estimated costs will not be achieved and unexpected fluctuations in the price of materials, supplies and currency exchange rates. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Mineral Processing Risks

The Company is subject to the risks typical in the mineral processing business including uncertainty that intended schedules, timelines, process performance criteria or estimated capital and operating costs will be achieved. There are risks beyond the Company's control, including: currency exchange rates; inflation; levels of interest rates; costs and availability of skilled workers, materials and supplies; global or regional political, economic and banking crises; and transportation and distribution disruptions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Uninsurable Risks

Mining processing operations involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, and political and social instability, any of which could result in damage to, or destruction of life or property, environmental damage and possible legal liability. Although the Company believes that appropriate precautions to mitigate these risks are being taken, exploration field activities are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Company's future profitability and result in increasing costs and a decline in the value of the Common Shares. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Company's business and financial condition.

Business Risks

Natural resources exploration, project development, processing, and transportation; and, product development, processing, production, and marketing all involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, market, financial and regulatory risks.

Operational risks include finding and developing reserves economically; processing minerals competitively into successful products; product deliverability uncertainties; changing governmental law and regulation; hiring and retaining skilled employees and contractors; and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks; however, the Company is not fully insured against all risks nor are all such risks insurable.

Operational risks also include the timing and successful completion of the permitting, construction and start-up.

Market risks include the demand and prices for graphite and graphite products not achieving expectations and disruptions in transportation and distribution. These and other factors are beyond the Company's control, including levels of inflation and interest rates, the demand for commodities, global or regional political, economic, and banking crises and production rates in competitive producing regions.

Financial risks include the timely availability of capital and changes in commodity prices, interest rates, inflation, wages and salaries, taxation, and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include delays in regulatory approvals for developments and transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filings, and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

Supply chain risk includes the sourcing of graphite concentrate in the open market as feed stock for the STP while the Company completes the construction of the Graphite Creek Mine to produce graphite concentrate for the STP. Potential tariffs and countervailing duties as a result of protectionist measures and trade wars threatened by United States, China and other countries that could increase the capital cost of the Project and cost of feed stock, adversely impacting overall profitability.

Supply chain risk also includes a risk the STP does not produce the quantity and/or quality of the graphite products in the time anticipated.

Negative Operating Cash Flow and Dependence on Third Party Financing

The Company has no source of operating cash flow and there can be no assurance that the Company will ever achieve profitability. Accordingly, the Company is dependent on third party financing to continue exploration activities on the Company's properties, maintain capacity and satisfy contractual obligations. Accordingly, the amount and timing of expenditures depends on the Company's cash reserves and access to third party financings. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's Graphite Creek Project or require the Company to sell the Project (or an interest therein).

Uncertainty of Additional Financing

As stated above, the Company is dependent on third party financings, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. The Company's access to third party financing depends on a number of factors including the price of graphite, the results of ongoing exploration, the results of the Feasibility Study and any other economic or other analysis, a claim against the Company, a significant event disrupting the Company's business or graphite industry generally, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favorable terms, or at all. As previously stated, failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's Graphite Creek Project or require the Company to sell one or more of its properties (or an interest therein).

Reliance upon Key Management and Other Personnel

The Company relies on specialized skills of management in the areas of mineral exploration, geology and business negotiations and management. The loss of any of these individuals could have an adverse effect on the Company. The Company does not currently maintain key-man life insurance on any of its key employees. In addition, as the Company's business activity continues to grow, it will require additional key financial, administrative, and qualified technical personnel. Although the Company believes that it will be successful in attracting, retaining, and training qualified personnel, there can be no assurance of such success. If it is not successful in attracting, retaining, and training qualified personnel, the efficiency of the Company's business could be affected, which could have an adverse impact on its future cash flows, earnings, results of operation and financial condition.

Imprecision of Feasibility Study and Mineral Resource Estimates

The results of the Feasibility Study and the mineral resource figures are estimates, and such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that its mineral resource estimate is well established and reflects management's best estimates, by their nature, mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may prove unreliable. Should the Company encounter mineralization or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted.

These are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Outstanding Share Data

The following table summarizes the Company's outstanding share capital as of August 27, 2025:

Common shares issued and outstanding	161,547,753
Restriced share units	8,059,260
Performance share units	5,642,152
Stock options outstanding (weighted average exercise price CA$1.08)	12,185,738
Warrants outstanding (weighted average exercise price CA$1.07)	29,092,317
Broker warrants outstanding (weighted average exercise price CA$1.00)	153,749
Fully diluted	**216,680,969**

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("**NI 52-109**") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Financial Statements and MD&A.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Other Information

Additional information related to the Company is available for viewing at the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.graphiteoneinc.com.