Graphite Energy Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS PERIOD ENDED

DECEMBER 31, 2017

INTRODUCTORY COMMENT

Graphite Energy Corp. (the "Company") was incorporated on October 14, 2016 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

The head office and principal address of the Company is located at 789 West Pender Street, Suite 1080, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered and records office address is 221 West Esplanade, Suite 409, North Vancouver, British Columbia, Canada, V7M 3J3.

This Management Discussion and Analysis ("MD&A") is dated February 21, 2018 and discloses specified information up to that date. This MD&A should be read in conjunction with the Company's financial statements which are prepared in accordance with International Financial Reporting Standards as issued by the IASB.

Throughout this report we refer from time to time to "Graphite", "the Company", "we", "us", "our" or "its". All these terms are used in respect of Graphite Energy Corp. which is the reporting issuer in this document. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.***

CORPORATE HIGHLIGHTS

In July and August 2017, 1,642,500 special warrants were converted into 1,642,500 common shares and 821,250 share purchase warrants. Each share purchase warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months at an exercise price of $0.20 per share.

In August 2017, 19,000 special warrants were issued for proceeds of $1,900. Each special warrant entitles the holder to acquire one unit of the Company. Each unit consists of one common share and one-half of one share purchase warrant. Each full share purchase warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months at an exercise price of $0.20 per share.

In October 2017, 19,000 special warrants were converted to 19,000 common shares and 9,500 share purchase warrants.

In October 2017, The Company granted 325,000 options to an officer and to consultants of the Company. The options are exercisable at $0.20 for a period of 5 years from the date of issue.

In November 2017, the Company completed a non-brokered private placement of 2,000,000 common shares of the Company at a price of $0.10 per share for proceeds of $200,000.

In November 2017, the Company's common shares were approved for quoting on the OTC Pink Market in the United States under the symbol "GRXXF" and were also listed and trading on the Frankfurt Stock Exchange under the security symbol "GOA".

During the period ended December 31, 2017, 19,750 warrants were exercised into 19,750 common shares at an exercise price of $0.20 per share for gross proceeds of $3,950.

In January and February 2018, 2,808,750 warrants were exercised into 2,808,750 common shares at an exercise price of $0.10 per share for gross proceeds of $280,875; 508,750 warrants were exercised into 508,750 common shares at an exercise price of $0.20 for gross proceeds of $101,750.

In February 2018, 25,000 stock options were exercised into 25,000 common shares for proceeds of $5,000 and 275,000 stock options were forfeited.

PROJECT SUMMARY

Lac Aux Bouleaux Graphite Project – Quebec, Canada
On December 20, 2016, and amended March 30, 2017, and September 11, 2017, the Company entered into a purchase option agreement (“agreement”) with Gold Port Resources Ltd (“GPRL”) to earn a 100% interest in the Lac Aux Bouleaux Graphite Project (“LAB Project”). The LAB Project is a contiguous set of 14 claims located in the Province of Quebec. To earn its interest in the project, the Company must pay GPRL $60,000 (*paid*), a second payment of $60,000 on closing date (date on which the shares of the Company trade on a stock exchange) (*paid*) and a final payment of $60,000 sixteen months from the closing date. Additionally, the Company must issue 5,000,000 common shares (*issued*) to GPRL upon signing of the agreement, which shall be subject to a one-year trading restriction from the closing date in addition to any trading restrictions imposed by the British Columbia Securities Commission.

In November 2017, the Company commenced Phase I of its exploration program. Phase I of the exploration program is being conducted in two stages, the first stage of which comprises compilation and interpretation of all historical geological, geophysical and exploratory drilling data available on the LAB Property. The second stage includes, but is not limited to, prospecting, trenching and channel sampling, trench logging, limited geological mapping of the area of historical exploration work, and sample assays.

In January 2018, the Company has received promising assay results from recently completed exploration work at its LAB Property. The results of 10 mineralized samples obtained during exploration work indicate graphite carbon (Cg) in the range of 2.20% to 22.30% with average 10.50% Cg. The results further confirm our team’s initial thoughts of high grade flake graphite on the property and will warrant further exploration and drilling on the property.

In January 2018, the Company has decided to commence a drill program at LAB Property. The program is a follow up of the promising results from its recently completed exploration work which indicate graphite carbon (Cg) with sampling up to 22.30% with average 10.50% Cg in surface samples (see January 15, 2018, press release). The Company is in the process of retaining a drilling contractor and evaluating permitting requirements. In addition to other geophysical targets, the drill program will be focused around the graphite pit area which was the center of the historical exploration work in the late 1950s and the early 1980s.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2017, the Company has current assets of $106,111 (June 30, 2017 - $368,710) and current liabilities of $21,192 (June 30, 2017 - $38,591). Working capital at December 31, 2017 is $84,919 compared to $330,119 at June 30, 2017.

Equity at December 31, 2017, was $506,995 compared to $640,344 at June 30, 2017.

In August 2017, 19,000 special warrants were issued for proceeds of $1,900. Each special warrant entitles the holder to acquire one unit of the Company. Each unit consists of one common share and one-half of one share purchase warrant. Each full share purchase warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months at an exercise price of $0.20 per share.

In October 2017, 19,000 special warrants were converted into 19,000 common shares and 9,500 share purchase warrants.

In November 2017, the Company completed a non-brokered private placement of 2,000,000 common shares of the Company at a price of $0.10 per share for proceeds of $200,000.

During the period ended December 31, 2017, 19,750 warrants were exercised into 19,750 common shares at an exercise price of $0.2 per share for gross proceeds of $3,950.

In January and February 2018, 2,808,750 warrants were exercised into 2,808,750 common shares at an exercise price of $0.10 per share for gross proceeds of $280,875; 508,750 warrants were exercised into 508,750 common shares at an exercise price of $0.20 for gross proceeds of $101,750.

In February 2018, 25,000 stock options were exercised into 25,000 common shares for proceeds of $5,000 and 275,000 stock options were forfeited.

The Company will need to continue raising additional capital for property exploration and development, and for general corporate requirements. As a public company, the evaluation by the investment community and individual investors will determine the outcome of any financing in the public market.

RESULTS OF OPERATIONS

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Expenses				
Office and administration	$ 1,156	$ -	$ 1,384	$ -
Investor relations	206,397	-	227,697	-
Management and consulting fees	6,625	-	12,744	-
Professional fees	21,753	2,902	57,354	2,902
Regulatory and filing fees	7,843	-	13,205	-
Share based payment	1,255	-	1,255	-
Transfer agent fees	26,815	-	26,815	-
Net and comprehensive loss	**$ (271,844)**	**$ (2,902)**	**$ (340,454)**	**$ (2,902)**

Three months ended December 31, 2017

Loss

The net loss for the period ended December 31, 2017 was $271,844 compared to $2,902 for quarter ended December 31, 2016, representing an increase in loss of $268,942.

Expenses

For the three months period ended December 31, 2017, total expenses were $271,844 consisting of management and consulting fees of $6,625, professional fees of $21,753, investor relations costs of $206,397 and regulatory and filing fees of $7,843, and transfer agent fees of $26,815. The Company also incurred stock option expenses of $1,255 in the current quarter. The professional fees, transfer agent fees and regulatory and filing fees were incurred in relation to preparing and filing the Company's prospectus. The investor relations costs were related to the production of a video outlining the Lac Aux Bouleaux Graphite Project and the management and consulting fees were incurred in connection with the Company's listing on the OTC market in the US. The legal fees of $2,902 incurred in 2016 was related to the preparation of prospectus.

Six months ended December 31, 2017

Loss

The net loss for the period ended December 31, 2017, was $340,454 compared to $2,902 for period ended December 31, 2016.

Expenses

For the six months period ended December 31, 2017, total expenses were $340,454 consisting of management and consulting fees of $12,744, professional fees of $57,354, investor relations costs of $227,697, being a newly listed entity, the Company allocated funds towards investor relations to expand its readership and inform about its activities and regulatory and filing fees of $13,205, and transfer agent fees of $26,815. The Company also incurred stock option expenses of $1,255 for the current period. The professional fees, transfer agent fees and regulatory and filing fees were incurred in relation to preparing and filing the Company's prospectus. The investor relations costs were related to the production of a video outlining the Lac Aux Bouleaux Graphite Project and the management and consulting fees were incurred in connection with the Company's listing on the OTC market in the US. The legal fees of $2,902 incurred in 2016 was related to the preparation of prospectus.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Fiscal quarter Ended	Revenue	Net loss – total	Income/(loss) from continuing operations – per share [1] [2]	Net comprehensive loss – total	Net income/(los – per share
		$	$	$	$
December 31, 2017	Nil	(271,844)	(0.01)	(271,844)	(0.01)
September 30, 2017	Nil	(68,610)	(0.00)	(68,610)	(0.00)
June 30, 2017	Nil	(159,569)	(0.00)	(159,569)	(0.01)
March 31, 2017	Nil	(14,619)	(0.00)	(14,619)	(0.00)
December 31, 2016	Nil	(2,902)	(0.00)	(2,902)	(0.00)
September 30, 2016	Nil	N/A	N/A	N/A	N/A
June 30, 2016	Nil	N/A	N/A	N/A	N/A
March 31, 2016	Nil	N/A	N/A	N/A	N/A

Note 1: Revenue exclude interest income. Fully diluted per share amounts are not scheduled as they would be anti-dilutive.
Note 2: Income / (loss) per share is rounded to the nearest whole cent.

Discussion

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period. Other than the factors leading to certain costs discussed above in the section "Results of Operations", management of Graphite does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations in any more detail than presented there.

TRANSACTIONS WITH RELATED PARTIES

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

		December 31, 2017		June 30, 2017
Directors and officers of the Company	$	9,064	$	4,103

During the period ended December 31, 2017, the Company incurred exploration expenditure of $50,951 and management fees of $6,625 with a company controlled by the CEO and a director the Company for geological and management services. The Company also incurred professional fees of $19,584 with a company controlled by a former director and officer for accounting and corporate secretarial services.

OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements.

RISKS RELATED TO THE COMPANY'S BUSINESS

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploring of its property will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial.

The following sets out the principal risks to face by the Company.

Exploration Risk. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market Risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities. See "Share Price Volatility and Price Fluctuations" below.

Commodity Price Risks. The Company's exploration projects seek graphite. An adverse change in this commodity's price, or in investors' beliefs about trends in this price, could have a material adverse outcome on the Company and its securities.

Aboriginal Accommodation Risks. Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

Financing Risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon either selling equity in the capital markets or obtaining funding partnerships with third parties to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects recently, there can be no assurance that the capital markets will support providing the financing needed to continue its exploration programs on favorable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its property, requires permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its property will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the property in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at its property on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2017 is $517,544. The Company has not yet had any ongoing revenue from the exploration activities on its property, nor has the Company yet determined that commercial development is warranted on its property. Even if the Company commences development of its property, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks. The Company may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. A finding of liability against the Company in such circumstances would have a material effect on the Company's financial position.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information Available on SEDAR

As specified by National Instrument 51-102, Graphite advises readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com/

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the exploration and evaluation asset of the Company's mineral property is disclosed in Note 3 to the financial statements.

Outstanding Share Data

At the date of this report there are 26,396,375 common shares issued and outstanding.

At the date of this report there are 1,743,375 warrants outstanding.

At the date of this report there are 25,000 options outstanding.

At the date of this report there are no special warrants outstanding.

Vancouver, British Columbia February 21, 2018

We recommend that users of this report read the below Cautionary Statements.

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, future possible exercise of warrants and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.