Graphite Energy Corp.

Management Discussion and Analysis

For the years ended

June 30, 2020

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, principal address and registered records office of the Company is located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

This Management Discussion and Analysis (“MD&A”) is dated September 21, 2020 and discloses specified information up to that date. This MD&A should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2020, which are prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The Company has initially adopted IFRS 16 Leases from July 1, 2019. The effect of initially applying this standard did not have a material impact on the Corporation’s financial statements. A number of other new standards are also effective from July 1, 2019 but they also did not have a material impact on the Corporation's financial statements (Note 2 to the Financial Statements).

Throughout this report we refer from time to time to “Graphite Energy”, “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

During the prior year, the Company entered into a business combination agreement dated June 25, 2019 (the "Definitive Agreement") with World Farms Corp. ("WFC"), a company that owns a portfolio of international cannabis assets. On March 31, 2020, the Company announced the termination of the agreement, by electing not to provide a further extension under the terms of the combination agreement.

During the year ended June 30, 2020, the Company closed a non-brokered private placement financing issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000.

During the year ended June 30, 2020, on June 17, 2020 the Company entered into an into an agreement with Pilbara Gold Group PTY Ltd (“Pilbara”), to acquire all of the outstanding shares of Pilbara in exchange for shares in the Company. Pilbara controls certain tenements for gold mineralization in the Pilbara District of Western Australia. Under the terms of the acquisition, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which will be assigned to the current shareholders of Pilbara on a pro-rata basis.

Pursuant to the agreement, the Company will make the following common share issuances to the shareholders of Pilbara on a pro rata basis:

i) 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12-month period;
ii) On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
iii) On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
iv) On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder’s fee of 750,000 common shares on the completion of the transaction to a nonrelated third party.

Upon closing the next steps will be geological review and field sampling to identify drill targets.

Subsequent to the year ended June 30, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Swan Gold Ltd. (“Swan Gold”), a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called “York NE”, “Warrawoona E” and “Beatons SE” in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the “Consideration Shares”). The Consideration Shares will be subject to the following restrictions on resale:

i) 30% of the Consideration Shares will be free trading on the date of closing,
ii) 20% of the Consideration Shares will be subject to resale restrictions for four months,
iii) 20% of the Consideration Shares will be subject to resale restrictions for eight months,
iv) the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder’s fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to receiving approval from applicable regulatory authorities.

Subsequent to the year ended June 30, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. The Company paid finder’s fees totaling $82,000 and 930,000 finder’s warrants in connection to the private placement. The Finder’s Warrants are non-transferable and exercisable on the same terms as the Warrants issued in the Private Placement.

PROJECT SUMMARY

Pilbara – Australia
In connection to an acquisition agreement with Pilbara, the Company will acquire Pilbara’s tenement holdings upon closing.

Pilbara holds five distinct project tenements in the following areas:

- Beatons River comprised of 355 square kilometers adjoins the Beatons Creek Project currently being developed for gold production by Novo Resources Corp. The gold target is conglomerate hosted.
- Cuprite West and East is located 50 kilometers west of Marble Bar, and is comprised of 109 square kilometers. The mineral target is massive sulphide gold mineralization.
- Tyche and Fortuna Projects which are two non-contiguous tenements that cover two stratigraphic units of the Fortescue Group which comprise the Hardey and Kylena Formations. The gold target is conglomerate gold hosted in the Hardey Formation.
- Nortia Project hosts the Dalton Suite in the center of the tenement, which holds the potential for ultramaphic shear hosted gold mineralization.

Subsequent to the year ended June 30, 2020, in connection to an acquisition agreement with Swan Gold Ltd., the Company will acquire additional tenements in the Pilbara region upon closing.

Swan Gold holds gold focused tenement projects called “York NE”, “Warrawoona E” and “Beatons SE” in the Pilbara region, Western Australia.

Lac Aux Bouleaux Graphite Project – Quebec, Canada

Historically, 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"). During the year ended June 30, 2019, as a result of the Company's intention to change its business, the Company has disposed of the property, turning it back over to GPRL.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020, the Company had current assets of $163,122 (June 30, 2019 - $15,129) and current liabilities of $132,563 (June 30, 2019 - $318,595). Working capital at June 30, 2020 is $30,558 compared to $303,466 deficit at June 30, 2019.

Shareholders equity at June 30, 2020 was $30,558 compared to $303,466 deficiency at June 30, 2019.

During the year ended June 30, 2020, the Company closed a non-brokered private placement financing issuing 6,000,000 common shares at a price of $0.10 per share for gross proceeds of $600,000. As at the year ended June 30, 2020 there were 8,816,051 (2019 – 2,816,051) issued and fully paid common shares.

The Company will need to continue raising additional capital to the investigation of potential new projects of merit and for general working capital purposes. As a public company, the evaluation by the investment community and individual investors will determine the outcome of any financing in the public market.

Subsequent to the year ended June 30, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above $0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. The Company paid finder's fees totaling $82,000 and 930,000 finder's warrants in connection to the private placement. The Finder's Warrants are non-transferable and exercisable on the same terms as the Warrants issued in the Private Placement.

Subsequent to the year ended June 30, 2020, on August 21, 2020, the Company granted incentive stock options to purchase a total of 2,100,000 common shares at an exercise price of $0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan.

RESULTS OF OPERATIONS

For the year ended June 30, 2020, the Company recorded a net loss of $261,002 (2019 - $911,398) and had a cumulative deficit of $2,181,857 (2019 - $1,920,855).

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years. For more detailed information, refer to the financial statements for the year then ended.

	June 30, 2020 -$-	June 30, 2019 -$-	June 30, 2018 -$-
Total assets	163,122	15,129	748,449
Non-current assets	-	-	579,376
Working capital (deficit)	30,558	(303,466)	(37,279)
Long-term liabilities	-	-	-
Shareholders' equity (deficiency)	30,558	(303,466)	607,932
Net loss	(261,002)	(911,398)	(839,047)
Net loss per share	(0.08)	(0.32)	(0.35)

* **Period from October 14, 2016**

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for the eight quarters ended June 30, 2020.

	Jun. 30, 2020 -$-	Mar. 31, 2020 -$-	Dec 31, 2019 -$-	Sep. 30, 2019 -$-
Revenue	-	-	-	-
Total assets	163,122	2,099	2,511	4,922
Working capital (deficit)	30,558	(516,321)	(460,845)	(402,254)
Long-term liabilities	-	-	-	-
Shareholders' equity	30,558	(516,321)	(460,845)	(402,254)
Net loss	(48,147)	(55,476)	(58,591)	(98,788)
Net loss per share	(0.02)	(0.02)	(0.02)	(0.03)
	Jun. 30, 2019 -$-	**Mar. 31, 2019 -$-**	**Dec 31, 2018 -$-**	**Sep. 30, 2018 -$-**
Revenue	-	-	-	-
Total assets	15,129	687,173	696,920	708,720
Working capital (deficit)	(303,466)	(305,625)	(103,409)	(37,279)
Long-term liabilities	-	-	-	-
Shareholders' equity (deficiency)	(303,466)	337,785	480,001	546,131
Net loss	(642,081)	(142,217)	(65,300)	(61,800)
Net loss per share	(0.22)	(0.05)	(0.02)	(0.03)

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 the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

The main categories causing significant variance in the eight quarters ended June 30, 2020 are described further herein. During the period ended June 30, 2019, the Company incurred a loss on disposition of exploration and evaluation assets in the period then ended of $601,626. The variance in loss on disposition of exploration and evaluation assets is due to the Company's intention to change its businesses by entering into a definitive agreement with World Farms Corp., and it's negotiations with GPRL with respect to the final payment of $60,000, the Company disposed of the property, turning it back to GPRL in the period then ended. Management fees in the period ended September 30, 2019, and March 31, 2019 increased as a result of management contracts.

The three months ended June 30, 2020 and 2019:

For the three months ended June 30, 2020, the Company had a net loss of $48,147 (2019 - $642,081). The main categories of variance in the comparative periods include the loss on disposition of exploration and evaluation assets in the prior period of $nil (2019 - $601,626) an increase in management fees to $50,680 (2019 - $20,678) and a decrease regulatory fees to $7,722 recovery (2019 - $2,302).

The variance in loss on disposition of exploration and evaluation assets is due to the Company's intention to change its businesses, and it's negotiations with GPRL, the Company disposed of the property, turning it back to GPRL in the prior period. Management fees in the current period increased as a result of utilization of services in the period and timing of transaction related activities and the decrease in regulatory fees in the current period is due to a recovery of previously expended fees recovered on termination of the WFC transaction.

The years ended June 30, 2020 and 2019:

For the years ended June 30, 2020, the Company had a net loss of $261,002 (2019 - $911,398). The main categories of variance in the comparative periods include the loss on disposition of exploration and evaluation assets in the prior period of $nil (2019 - $643,411), a gain on debt forgiveness of $nil (2019 - $41,785), a decrease in office administration costs to $2,170 (2019 - $13,345), and a decrease in management fees to $215,680 (2019 - $252,687).

The variance in loss on disposition of exploration and evaluation assets is due to the Company's intention to change its businesses, and it's negotiations with GPRL, the Company disposed of the property, turning it back to GPRL in the prior year. In the prior year the Company recognized a gain on debt forgiveness as a result of negotiation with the vendor whereas there were no similar transactions in the current year. Management fees decreased in the current year as a result of utilization of services in the year and timing of transaction related activities in the current and prior year. Office and administrative fees are commensurate with usage of services.

TRANSACTIONS WITH RELATED PARTIES

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) 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.

	June 30, 2020 - $ -	**June 30, 2019 - $ -**
Companies controlled by current and former directors and officers of the Company	21,894	146,000
Directors and officer of the Company	766	80,144
	22,660	226,144

Transactions

During the year ended June 30, 2020, the Company incurred management fees of $80,680 (2019 - $67,687) to the CEO of the Company and director fees of $75,000 (2019 - $75,000) to a company controlled by a director of the Company. The Company also incurred consulting and professional fees of $60,000 (2019 - $110,000) with a company controlled by the CFO of the Company, and settled $180,000 of debt with an officer and director of the Company and a significant shareholder of the Company.

As at June 30, 2020, the following parties are Directors and or Officers of the Company:

- Adrian Hobkirk, CEO, President, and Director
- Teresa Cherry, CFO, and Director
- Chris Cherry, Director

OFF BALANCE SHEET ARRANGEMENTS

There are no off- balance sheet arrangements.

PROPOSED TRANSACTIONS

On June 17, 2020 the Company entered into an into an agreement with third party arms' length vendors (the "Vendors") to acquire (the "acquisition") a 100% ownership in a company that controls certain tenements for gold mineralization in Western Australia, whereby, the Company will have all base and precious metal mineral rights except for diamonds and iron ore which remain with the Vendors.

Pursuant to the agreement, the Company will make the following common share issuances to the Vendors on a pro rata basis:

- 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12-month period;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a non-related third party.

During the prior year, the Company entered into a business combination agreement dated June 25, 2019 (the "Definitive Agreement") with World Farms Corp. ("WFC"), a company that owns a portfolio of international cannabis assets. On March 31, 2020, the Company announced the termination of the agreement, by electing not to provide a further extension under the terms of the combination agreement.

Subsequent to the year ended June 30, 2020 the Company entered into an agreement to acquire 100% of the issued and outstanding shares Swan Gold Ltd., a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares"). The Consideration Shares will be subject to the following restrictions on resale:

- 30% of the Consideration Shares will be free trading on the date of closing,
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- the final 20% of the Consideration Shares will be subject to resale restrictions for twelve months.

The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to receiving approval from applicable regulatory authorities.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at June 30, 2020, the Company had minimal financial assets or no liabilities denominated in a foreign currency and foreign exchange risk is assessed as low.

Interest rate risk
Interest rate risk is the risk that the fair value of 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 risks.

Capital Management
The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

Fair value
The Company's financial instruments consist of cash, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs.

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 June 30, 2020 is $2,181,858. 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.

Cyber Security Risks. As the Corporation continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Corporation relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Corporation's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Corporation has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Corporation believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications

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

As at the June 30, 2020 there were 8,816,051 common shares issued and outstanding. As at the current date there are 21,816,051 common shares issued and outstanding.

As at June 30, 2020 there were nil warrants outstanding. As at the current date there are 13,000,000 warrants outstanding and 930,000 finders warrants outstanding.

As at June 30, 2020 there were nil stock options outstanding. As at the current date there are 2,100,000 stock options outstanding.

As at the date of this report and the current date there are no special warrants outstanding.

Vancouver, British Columbia September 21, 2020

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.