GRAPHITE ONE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2024

As of April 10, 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 consolidated financial statements for the years ended December 31, 2024 and 2023, and the related notes thereto ("**Annual Financial Statements**"). These Annual Financial Statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). 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 April 10, 2025. The information and discussion provided in this MD&A is for the year ended December 31, 2024, and where applicable, the subsequent period up to the date of this MD&A. All dollar amounts in this MD&A 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 other 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, 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; the ability of the Company to complete the feasibility study in the expected timeframe; 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 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 American producer of battery anode materials integrated with a graphite resource. The Project is envisioned as a vertically integrated enterprise to mine, process, and manufacture anode materials for the electric vehicle lithium-ion battery market. Management's current plan is for graphite to be mined from the Company's Graphite Creek Property (the "**Proposed Mine**"), situated on the Seward Peninsula about fifty-five (55) kilometers (37 miles) north of Nome, Alaska 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 manufacturing or secondary treatment plant (the "**STP**") where anode materials and other value-added graphite products would be manufactured. With the Company's commitment to locate the STP in the U.S., the Company would provide a 100% U.S.-based advanced graphite materials supply chain. On October 14, 2022, the Company filed a Preliminary Feasibility Study ("**PFS**") for the Project on SEDAR+ and began work on a feasibility study (the "**Feasibility Study**"). The Graphite Creek Project's updated mineral resource and reserve estimates for the Feasibility Study were released on March 27, 2025 and the full NI 43-101 Feasibility Study report will be published and filed on www.sedarplus.ca in April 2025.

2024 Highlights

Graphite Creek Resource and Reserve Update

On March 27, 2025, the Company announced an update to their resource and reserve estimates for its Graphite Creek Project. Through 2022, 2023 and 2024, 90 holes have been drilled in the resource area for a total of 13,482 meters of drilling, and 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 for Graphite Creek was updated with data through the 2024 drilling program. 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 2023-2024 drilling program focused on converting Inferred Resources into Measured and Indicated, to allow annual graphite production to be increased in the Feasibility Study.

The 2024 Mineral Reserve 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. The Feasibility Study Mineral Reserve estimate tonnage is 317% of the PFS reserve estimate and the contained graphite is 296% of the PFS estimate.

LIFE Financing and Concurrent Private Placement

On December 24, 2024, the Company closed a total of 6,374,200 units of a non-brokered private placement financing at CA$0.75 per unit for aggregate gross proceeds of CA$4,780,650. A total of 4,118,200 units for gross proceeds of CA$3,088,650 were issued to purchasers resident in Canada in accordance with Part 5A of National Instrument 45-106 – *Prospectus Exemptions* listed issuer financing exemption (the "**LIFE Financing**") and a total of 2,256,000 units for gross proceeds of CA$1,692,000 were issued to purchasers resident outside of Canada (the "**Concurrent Private Placement**") and together with the LIFE Financing, the "**Offering**".

Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one additional common share at a price of CA$1.00 per share and expires at the earlier of: two (2) years from the closing date of the Offering; or (ii) at the Company's option, thirty (30) days from the date of announcement to accelerate the expiry date, if for any ten (10) consecutive trading days the closing price of the common shares on the TSX Venture Exchange (the "**TSXV**") is at or exceeds CA$1.50.

Finders' fees of CA$102,047 in cash were paid and 153,749 broker warrants were issued with respect to the Offering. The broker warrants are exercisable for CA$1.00 and expire at the earlier of two (2) years from the closing date of the Offering; or (ii) at the Company's option, thirty (30) days from the date of announcement to accelerate the expiry date, if for any ten (10) consecutive trading days the closing price of the common shares on the TSXV is at or exceeds CA$1.50.

All securities issued pursuant to the LIFE Financing are immediately freely tradeable for Canadian purchasers and are not subject to a hold period. All securities issued pursuant to the Concurrent Private Placement are subject to a statutory hold period of four months and a day from the date of issuance in accordance with applicable securities legislation.

Execution of a Technology License Agreement and a Consulting Agreement

On October 21, 2024, the Company signed a Technology License Agreement ("**TLA**") and a Consulting Agreement ("**Consulting Agreement**", collectively, the "**Agreements**") with Hunan Chenyu Fuji New Energy Technology Co. Ltd ("**Chenyu**"), an Anode Active Material ("**AAM**") manufacturer headquartered in Changsha City, China, to assist with the design, construction and operation of a commercial AAM facility at the Company's planned site in Warren, Ohio, subject to project financing.

Under the TLA, Chenyu granted the Company an exclusive license to use leading technology in AAM manufacturing to produce battery materials for the U.S. domestic supply chain in return for the payment of royalties applied to net revenues received from the sale in each calendar quarter of AAM products manufactured using the technology. The applicable royalty percentage is as high as 3.0% and, using a stair-step method, as low as 0.6% based on the total net revenue and product manufactured.

Under the Consulting Agreement, Chenyu will provide advice and guidance relating to the design, construction, commissioning and operations of an AAM commercial plant in return for the payment of milestone fees which track events progressing from the commencement of work on the Ohio AAM plant by hiring an engineering, procurement and construction management firm through ultimately to the Company successfully qualifying licensed products manufactured at the plant with a U.S. customer. The Consulting Agreement includes consulting and advisory services for agreed upon fees. The first milestone payment of $400,000 was made in November 2024 upon signing the Agreements.

Chenyu reserves the right to terminate both Agreements if the Company has not hired an engineering, procurement and construction management firm to assist with the design of the Ohio AAM plant by July 31, 2025. The Company has the right to terminate in the event of a material breach of any obligations under the Agreements.

The Agreements are strictly fee-for-services arrangements and provide no direct or indirect equity in the Company, no representation in the management or Board of Directors of the Company or any of its affiliates, and no direct or indirect rights to control the project of the Company or any of its affiliates.

Other contractual provisions within these Agreements include the following:

a. Right of First Negotiation for Next Generation Products: Chenyu agreed to offer the Company advanced, next-generation AAM technology prior to offering it to other AAM manufacturers in North America; and

b. Right of First Negotiation for Additional Markets: Chenyu agreed to offer the Company the right to license Chenyu's AAM technology in Europe, the United Kingdom and the Kingdom of Saudi Arabia before offering it to other AAM manufacturers.

Receipt of Non-Binding Letter of Interest from Export-Import Bank of the United States ("EXIM")

On October 18, 2024, the Company received a non-binding letter of Interest ("**LOI**") from EXIM for potential debt financing of up to $325 million through EXIM's "Make More in America" and "China and Transformational Exports Program" (CTEP) initiatives.

Under the LOI, EXIM may consider providing potential financing of up to $325 million, representing approximately 70% of the capital cost for the construction and operation of a proposed AAM manufacturing facility at the Company's planned Ohio site, with a repayment tenor of 15 years subject to EXIM. The Company expects to submit a formal application to EXIM in the second quarter of 2025. Upon receipt of the application for financing, EXIM will conduct all requisite due diligence necessary to determine if a final commitment will be issued for this transaction.

Warrant Extension

On September 16, 2024, the Company extended the expiry date of an aggregate 2,802,690 outstanding common share purchase warrants that were due to expire on September 17, 2024 for one additional year and will expire on September 17, 2025. These warrants were issued in connection with a private placement with Bering Straits Native Corporation, a strategic partner on the Graphite Creek Project and a regional Alaska Native Corporation for the Bering Straits region, that closed on September 17, 2023 with each warrant exercisable into one common share of the Company at a price of CA$1.21 per common share. All the other terms of the warrants remain the same.

Lucid Group, Inc. Non-Binding Supply Agreement

On July 29, 2024, the Company announced it had entered into a non-binding supply agreement ("**Supply Agreement**") with Lucid Group, Inc., maker of electric vehicles, for anode active materials. This non-binding Supply Agreement is for an average of 5,000 tpa once the Company commences production of synthetic graphite AAM. The initial term is for 5 years, subject to early termination. Sales are based on an agreed price formula linked to future market pricing as well as satisfying a base-case pricing agreeable to both parties. The Supply Agreement is subject to other terms, conditions and termination rights that are standard for an agreement of this nature.

Department of Defense Grant Revised Cost-Share Agreement

On May 17, 2024, the Company entered into a revised cost-share agreement with the Department of Defense ("**DoD**") to adjust the DoD's share of expenditures associated with the Feasibility Study from 50% to 75% based on a revised contract value of $49.8 million. The DoD's maximum share of the expenditures is now $37.3 million. The Company received $5,508,104 of reimbursements from expenses incurred prior to April 1, 2024 as a result of the revised cost share agreement. On December 18, 2024, the DoD extended the deadline to May 31, 2025 for the Company to complete the technical work in support of the Feasibility Study, which includes associated environmental work needed to submit for final permits. The costs incurred during this period are eligible for reimbursement under the DoD agreement, subject to the cumulative spending on the FS not to exceed $37.3 million.

Ohio Land Lease

On March 15, 2024, the Company's wholly owned subsidiary, Graphite One (Alaska) Inc. ("**G1 Alaska**") selected Ohio's "Voltage Valley" as the site of the Company's graphite anode manufacturing plant by entering into a cancelable land lease agreement for a 50-year term with an option to purchase. The cancellation provision is contingent on certain future events, including but not limited to obtaining necessary financing for construction of an AAM plant.

Warrant Incentive Program

On April 1, 2024, the Company closed the warrant incentive program (the "**Warrant Incentive Program**") receiving aggregate gross proceeds of $3,794,348 (CA$5,130,873) from the exercise of 5,130,873 outstanding common share purchase warrants.

Under the Warrant Incentive Program, the exercise price of an aggregate 11,955,677 warrants were reduced to CA$1.00 per common share commencing on the date of TSXV approval for a period of 30 days (the "**Reduced Term**"). The exercise price for any warrants not exercised during the Reduced Term reverted to the original exercise price.

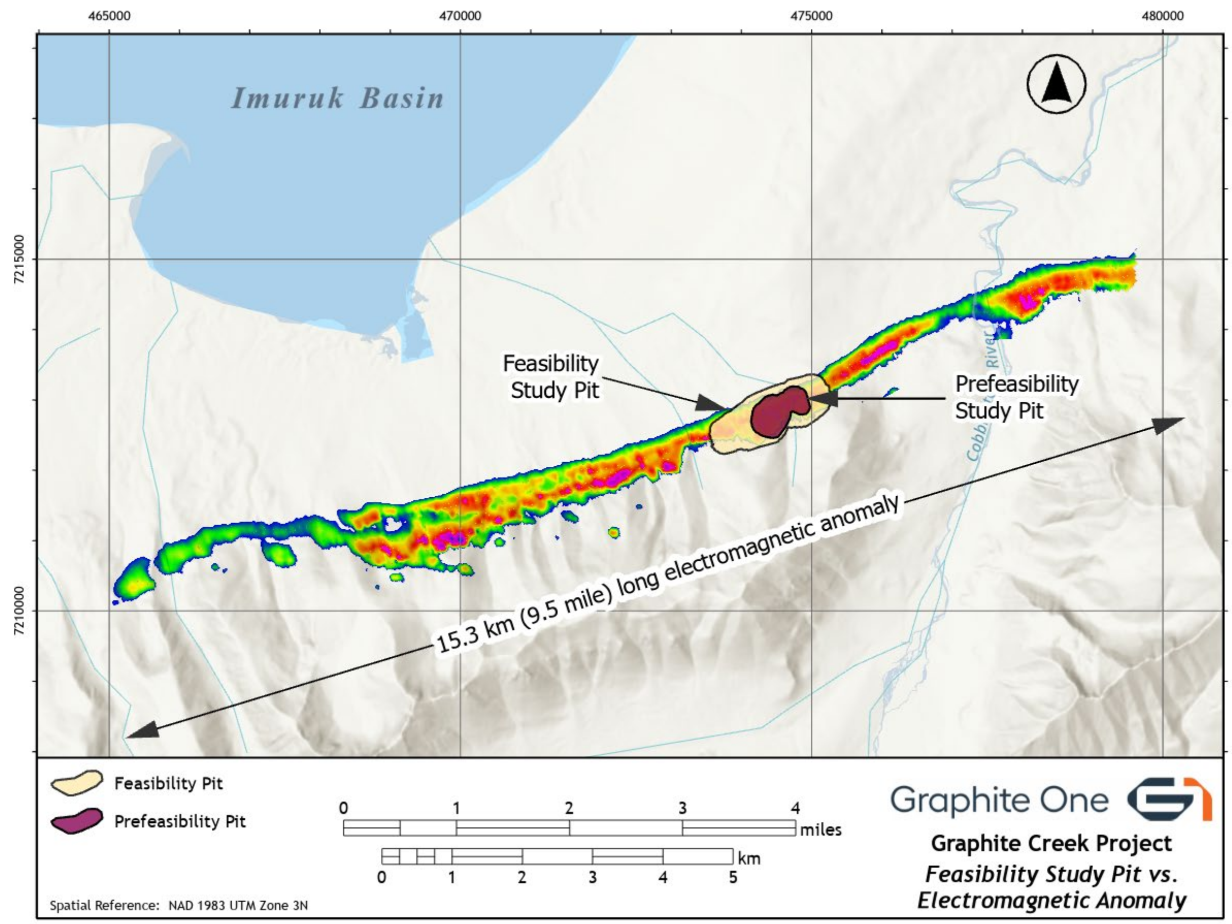
For each warrant exercised during the Reduced Term, the Company offered to issue, at no additional cost, one common share purchase warrant (a "**Sweetener Warrant**") with an exercise price of CA$1.00 per common share that expires at the earlier of: (i) three (3) years from the date of issuance; and (ii) 30 days, at the Company's option, if for any ten (10) consecutive trading days the closing price of the Company's common shares on the TSXV equals or exceeds CA$1.20.

In connection with the exercise of the warrants, the Company issued an aggregate of 5,130,873 Sweetener Warrants to the holders who exercised such warrants. The exercise price on the remaining 6,824,804 warrants that were not exercised during the Reduced Term reverted to the original exercise price. The fair value of the Sweetener Warrants was $600,375 (CA$820,940).

Mineral Resource and Reserve Update

The Graphite Creek property (the "**Property**") is located on the Seward Peninsula, Alaska about 38 miles (60 km) north of Nome. 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 Feasibility Study 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



Through 2022, 2023 and 2024, 90 holes have been drilled in the resource area for a total of 13,482 meters of drilling. 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 for Graphite Creek was updated with data through the 2024 drilling program and is effective 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 1.

Table 1: 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	5.1	5.3%	0.272
Indicated	99.6	4.5%	4.523
Measured + Indicated	***104.7***	***4.6%***	***4.796***
Inferred	268.1	4.3%	11.568

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 2.

Table 2: Mineral Resource Comparison – FS vs 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
Indicated	27.87	5.2%	1.44	99.6	4.5%	4.52	71.73	-0.7%	3.09
Measured	4.67	5.8%	0.27	5.1	5.3%	0.27	0.43	-0.5%	-
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	268.1	4.3%	11.57	13.43	-0.8%	(1.44)

**Measured + Indicated*

The FS Mineral Reserve 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 3 shows the mineral reserve.

[1] Footnotes:
a) Mineral Resource Statement is effective 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 3: Graphite Creek Feasibility Study Mineral Reserve Estimate[2]

Mineral Reserve Classification	Feasibility Study		
	Tonnage (M tonnes)	%Cg	Cg (M Tonnes)
Proven	4.1	5.8%	0.238
Probable	67.1	5.2%	3.48
Proven and Probable	***71.2***	***5.2%***	***3.717***

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 4.

Table 4: Mineral Reserve Comparison – FS vs 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	4.1	5.8%	0.238	0.29	-0.2%	0.01
Probable	18.7	5.5%	1.03	67.1	5.2%	3.48	48.42	-0.3%	2.45
P + P*	***22.5***	***5.6%***	***1.26***	***71.2***	***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.

Project Expenditures

The following table summarizes the Project expenditures relating to the FS for the year ended December 31, 2024:

Site Preparation, Drilling and Camp Operations	$ 10,621,279
Project Management and Administration	3,994,859
Environmental Studies	3,806,999
Engineering	4,142,575
Geological Consulting	631,563
Capitalized Depreciation	304,650
Assays and Metallurgy	2,757,649
Capitalized Share-Based Payments	838,574
Community Consultation and Meetings	226,430
Land management and advanced royalties	163,147
Total Graphite Creek Expenditures	27,487,726
Secondary Treatment Plant	571,059
Less: Government Grants	(24,662,582)
Total Project Expenditures, net of Grant Reimbursements	**$ 3,396,203**

Completion of the 2024 Field Program

The 2024 summer field program commenced in early June with the opening of the two camps in Nome and Graphite Creek, the hiring of seasonal workers, setting up a radio and internet communication system at the sites, construction of drill trails, and building drill pads. Camp operations also supported ongoing environmental baseline studies in support of the ongoing Feasibility Study and anticipated permitting. Studies included aquatic species, meteorological, wetland delineation, hydrology, hydrogeology, cultural resources, and raptor surveys.

The field program ended in mid-September with 31 holes drilled for a total of 11,563.5 ft (3,524.56 m), which included ten geotechnical holes to evaluate pit slope stability and seven geotechnical holes to evaluate future infrastructure sites and hydrogeologic conditions. The remaining 14 resource holes all intersected visual graphite mineralization and continue to demonstrate exceptional consistency of a shallow, high-grade graphite deposit that remains open both to the east and west of the existing mineral resource estimate.

2024 select drill holes with significant graphite mineralization include (full table below):

- 24GC135 returns 6.01 m of 9.57% Cg from 16.99 m containing 2 m of 11.5% Cg
- 24GC143 returns 6.65 m of 18.61% Cg from 18.5 m containing 2.3 m of 38.3% Cg

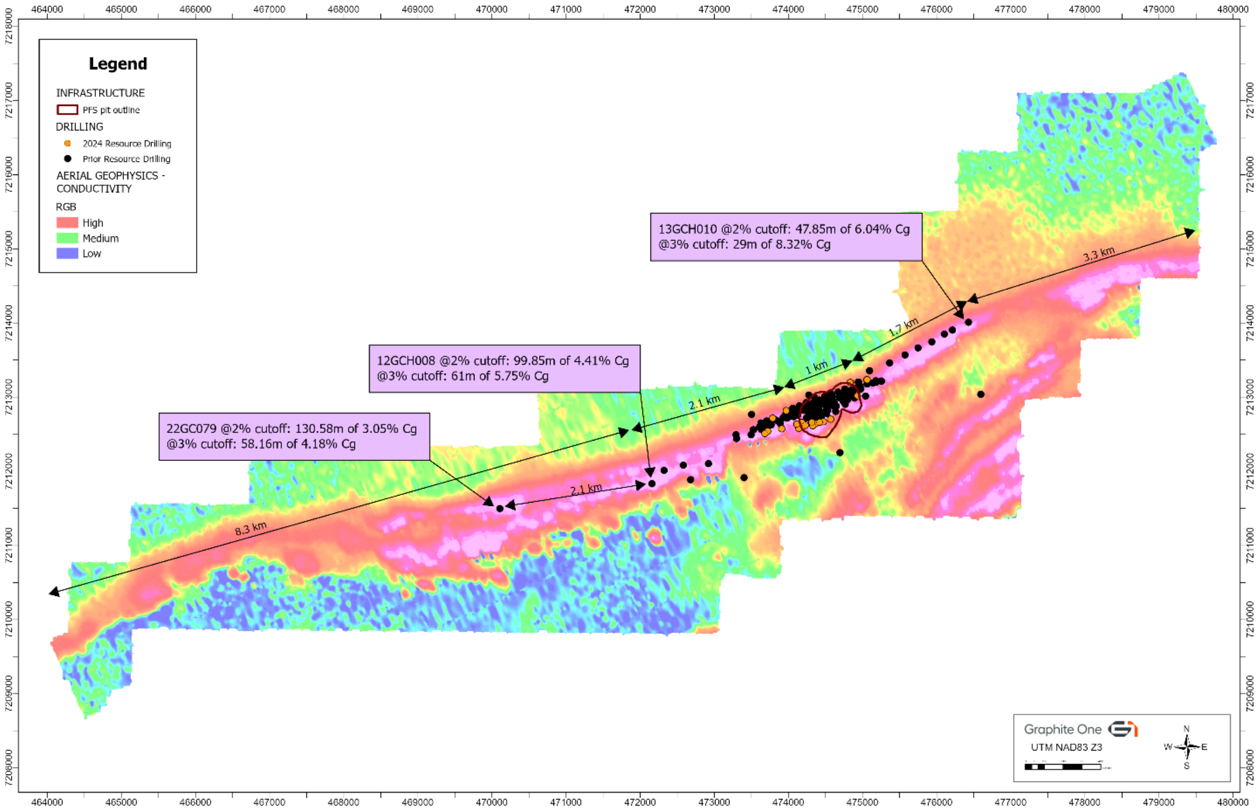


Figure 1: Graphite Creek Geophysical Anomaly with Resource Drilling to Date (Graphite One Inc.)

Summary of 2024 Summer Drilling Program Results:

SIGNIFICANT INTERCEPTS REPORT							
Hole ID	**Intercept**	**From (m)**	**To (m)**	**Length (m)**	**Length (ft)**	**C-Graphite (%)**	**Containing**
24GC132	1	74.7	86.8	12.1	39.8	6.6	
24GC133	1	102.4	111.8	9.4	30.8	8.7	
24GC135	1	17	23	6	19.7	9.6	2 m @ 11.5 %
24GC142A	1	109.1	117	7.9	25.8	7.0	
24GC142A	2	119	125	6	19.7	8.0	
24GC143	1	18.5	25.2	6.7	21.8	18.6	2.3 m @ 38.3 %
24GCT019	1	106	113	7	23	8.4	
24GCT020A	1	90.9	103.7	12.8	41.9	6.9	
24GCT027	1	0	10.8	10.8	35.5	8.9	

***Parameters** : Lower Cutoff = 6% Min. Interval Length = 6 m   Max Length of Internal Dilution = 1.5 m*

Year	Drillhole Count	Meters Drilled	Feet Drilled
2012	18	4,248.84	13,939.8
2013	10	1,023.84	3,359.1
2014	22	2,313.98	7,591.8
2018	6	800.87	2,627.5
2019	3	357.80	1,173.9
2021	19	2,152.55	7,062.2
2022	16	2,124.92	6,971.5
2023	57	8,735.87	28,661.0
2024	31	3,524.56	11,563.5
Total	***182***	***25,283.23***	***82,950.2***

Technical Disclosure/Qualified Person

Mr. Rob Retherford, P. Geo with Alaska Earth Sciences, Inc. provided oversight of the 2024 drilling and sampling program. Mr. Retherford is a Qualified Person as defined under National Instrument 43-101 ("**NI 43-101**") and has reviewed and approved the applicable technical content of this summary.

Mr. Chotipong Somrit with Barr Engineering Co. prepared the FS Mineral Reserve Estimate and inspected the Graphite Creek Project site on August 12th, 13th, and 14th of 2024. Mr. Somrit is a Qualified Person as defined under NI 43-101 and has reviewed and approved the applicable technical content of this summary.

QA/QC Program Applied

Graphite One maintains a rigorous QA/QC program with respect to the preparation, shipping, analysis and checking of all samples and data from the Property. Quality control for drill programs at the Company's projects covers the complete chain of custody of samples, including verification of drill hole locations (collar surveys and down-hole directional surveys), core handling procedures (logging, sampling, sample shipping) and analytical-related work, including duplicate sampling, "check analyses" at other laboratories and the insertion of standard and blank materials. The QA/QC program also includes data verification procedures.

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 Feasibility Study, 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 table summarizes selected financial information as at the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
Current assets ($)	5,001,124	2,679,485	905,761
Exploration and evaluation property ($)	61,080,089	57,683,886	50,133,500
Total assets ($)	67,378,496	61,510,652	52,185,240
Current liabilities ($)	4,856,703	2,604,986	4,675,142
Net loss ($)	6,796,523	8,451,967	5,698,534
Basic and diluted loss per share ($)	0.05	0.07	0.06
Weighted average number of common shares outstanding	137,089,738	125,780,861	93,058,179
Exploration and evaluation expenditures ($), excluding grants	25,421,047	14,760,989	12,824,903

Results of Operations

Net loss for the three months ended December 31, 2024 was $2,450,269, an increase of $130,112 compared to a net loss of $2,320,157 for the same period in 2023. The increase in net loss was due primarily to a new marketing campaign initiated in the current quarter.

The net loss for the year ended December 31, 2024 was $6,796,523, a decrease of $1,655,445 compared to a net loss of $8,451,967 for the year ended December 31, 2023. The decrease in net loss was primarily due to lower marketing expense, lower salaries and management fees due to a portion of salaries and management fees charged to the foam fire suppressant project (collectively, the "**Grant Projects**") and lower share-based payments. These were partially offset by expenses associated with the Ohio lease.

Operating Expenses

	Three months ended December 31, 2024	Three months ended December 31, 2023	Increase (decrease)	Years ended December 31, 2024	Years ended December 31, 2023	Increase (decrease)
Expenses						
Project development, net of grant	$ 57,228	$ 90,270	$ (33,042)	$ 282,543	$ 90,270	$ 192,273
Management fees and salaries	904,689	897,756	6,933	1,400,656	1,808,990	(408,334)
Marketing and investor relations	335,988	67,793	268,195	782,715	1,585,664	(802,949)
Consulting and advisory fees	92,071	(67,714)	159,785	282,569	234,430	48,139
Office and administration	87,923	82,657	5,266	420,057	491,801	(71,744)
Professional fees	111,996	113,350	(1,354)	439,918	399,697	40,221
Share-based payments	822,450	1,061,987	(239,537)	3,150,712	3,650,560	(499,848)
	$ 2,412,345	$ 2,246,099	$ 166,246	$ 6,759,170	$ 8,261,412	$ (1,502,242)

Project Development, net of grant

Project development costs, net of grant reimbursements for the year ended December 31, 2024, increased $192,273 to $282,543, as compared to $90,270 for the year ended December 31, 2023. The increase is primarily due to the expenses incurred on the Ohio lease compared to $90,270 on the fire-fighting foam project.

Management fees and salaries

Management fees and salaries for the year ended December 31, 2024 decreased $408,334 to $1,400,656 compared to $1,808,990 for the year ended December 31, 2023. The decrease was due primarily to allocating a portion of management fees and salaries to the Grant Projects based on the time spent on the Grant Projects for the full year 2024 compared to six months in 2023.

Marketing and investor relations

Marketing and investor relations for the three months ended December 31, 2024 increased $268,195 to $335,988 compared to $67,793 for the same period in 2023. This is primarily due to the new digital marketing campaign that kicked off in Europe to raise the profile of the Company's Graphite One Project to European institutional and retail investment community during the current quarter.

Marketing and investor relations for the year ended December 31, 2024 decreased $802,949 to $782,715 compared to $1,585,664 for year ended December 31, 2023 when digital marketing campaigns kicked off in the last quarter of 2024.

Consulting and advisory fees

Consulting and advisory fees for the three months ended December 31, 2024 increased $159,785 to $92,071 compared to a credit of $67,714 for the same period in 2023. The increase was due primarily to consulting fees paid to assist the Company in obtaining government funding for the Grant Projects compared to the prior period which included reclassification of certain reimbursable expenses to the Grant Projects.

Consulting and advisory fees for the year ended December 31, 2024 increased $48,139 to $282,569 compared to $234,430 for the same period in 2023. This increase was primarily due to an increase in consulting services related to obtaining government funding for the Grant Projects.

Share-based payments

Share-based payments for the three months ended December 31, 2024 decreased $239,537 to $822,450 compared to $1,061,987 in 2023. The decrease was due to amortizing a fewer number of stock options of the Company ("**Options**") and securities issued under the Company's Omnibus Plan and at a lower fair value in the current quarter compared to the same period in 2023 when the number of Options and securities issued under the Omnibus Plan were being amortized at a higher fair value.

Share-based payments for the year ended December 31, 2024 decreased $499,848 to $3,150,712 compared to $3,650,560 in 2023. The decrease was due to the same reason as explained in the paragraph above.

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	Dec 30 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024
Net loss ($)	2,450,269	1,490,976	1,659,831	1,195,447
Basic and diluted loss per share ($)	0.02	0.01	0.01	0.01

Quarter ended	Dec 31 2023	Sep 30 2023	June 30 2023	Mar 31 2023
Net loss ($)	2,320,157	1,892,548	2,203,280	2,035,982
Basic and diluted loss per share ($)	0.02	0.01	0.02	0.02

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 that kicked off in Europe to raise the profile of the Company's Graphite One Project to European institutional and retail investment community initiated in the current quarter.

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 digital marketing spend was lower by $100,000 as the digital marketing campaigns ended in early August 2024.

Net loss for the second quarter of 2024 increased $464,384 to $1,659,831 compared to a $1,195,447 net loss for the first quarter of 2024. The increase was attributed to increased stock-based compensation amortization for the grants awarded at the end of the prior quarter and a new $50,000 per month digital marketing campaign in the United States that was initiated at the beginning of the quarter.

Net loss for the first quarter of 2024 decreased $1,124,710 to $1,195,447 compared to a $2,320,157 net loss for the fourth quarter of 2023. The decrease was mainly attributed to decreased executive compensation costs, as there was an absence of a provision for short-term incentive awards that were present in the fourth quarter of 2023, as well as lower share-based payments as certain equity awards had fully vested in the previous quarter.

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 December 31, 2024.

As at December 31, 2024, the Company had cash and cash equivalents of $4,117,974 (December 31, 2023: $1,824,331), and working capital of $144,421 (December 31, 2023: $74,499). The increase in cash and cash equivalents benefited from $3,794,348 (CA$5,130,873) in gross proceeds from the exercise of outstanding warrants under the Company's Warrant Incentive Program and $2,909,480 (CA$4,143,230) in gross proceeds from the closing of a December 24, 2024 non-brokered LIFE Financing and concurrent private placement. In addition, the Company received a $4,939,145 reimbursement from the DoD related to 2023 Feasibility Study expenditures under the June 24, 2024 revised cost share agreement. These fundings were offset by $3,647,529 in cash used in operating activities and $5,968,433 for its share of 2024 summer program and feasibility study expenditures.

The Company has incurred losses since inception and has not generated any cash inflows from the operations. Cash used in operating activities for the year ended December 31, 2024 was $3,647,529 compared to $3,712,688 in 2023 which is consistent year-over-year.

For the year ended December 31, 2024, the Company drew down approximately $25.0 million (cumulative to date: $34.8 million) under the terms of a DoD Technology Investment Grant (the "**Grant**") of up to $37.3 million, which included an approximately $4.9 million additional reimbursement of Feasibility Study expenditures incurred during 2023 under the revised cost share agreement. There were approximately $0.6 million of outstanding grant receivables which were collected subsequent to December 31, 2024.

On March 19, 2024, the Company granted annual long-term incentive awards for calendar year 2024 to employees, officers, directors and advisors consisting of 2,905,158 Options, 2,376,956 restricted share units ("**RSUs**") and 1,215,778 performance share units ("**PSUs**") pursuant to the terms of the Company's Stock Option Plan and Omnibus Plan.

The Options have an exercise price of CA$0.93 per share, being the closing price of the Company's shares on the TSXV on March 18, 2024. The stock options vest one-third (1/3) on each of the first, second and third anniversary dates from the date of grant and will expire on March 19, 2029.

Each RSU and PSU will convert into one common share of the Company on each vesting date. RSUs granted to management totaling 1,215,778 will vest one-third (1/3) on the first, second, and third anniversary dates from the date of grant and one-quarter (1/4) of the 1,161,178 RSUs granted to directors will vest on March 19, 2025, March 31, 2025, June 30, 2025, and September 30, 2025. The PSUs will vest on March 19, 2027, subject the closing price of the Company's common shares on the TSXV for ten consecutive days prior to the vesting date.

On May 17, 2024, the Company granted an aggregate of 900,000 Options to the optionees, being two individuals, who are both directors and officers of the Company. Each Option was exercisable into one common share at an exercise price of CA$0.85 per common share and expires five years following the date of grant. The Options are subject to a three-year vesting period with 300,000 Options vesting on the first, second and third anniversary from the grant date. These Options were issued to replace 900,000 Options, exercisable at CA$0.30 per common share, which expired on May 16, 2024. The Optionees agreed to forego the exercise of the expired Options due to the cash impact to both the Optionees and the Company of a cashless exercise of the expired Options.

On May 31, 2024, the Company repriced 1,269,379 outstanding Options issued to certain officers on January 19, 2023. The exercise price on these Options was repriced from CA$1.00 to CA$1.08 per common share to reflect the market price on the date of the grant and to qualify for a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada). There were no amendments to the other terms of the Options.

On October 21, 2024, the Company granted the remaining 1,215,778 PSUs to senior management as previously disclosed on the Company's March 20, 2024 press release. Each PSU converts into one common share of the Company on March 19, 2027 vesting date subject to the achievement of certain corporate share price performance criteria.

<u>Going Concern</u>

As at December 31, 2024, the Company had a cash balance of $4,117,974 (December 31, 2023: $1,824,331), working capital of $144,421 (December 31, 2023: $74,499), and an accumulated deficit of $54,728,178 (December 31, 2023: $47,931,655). The Company has incurred losses since inception and does not generate any cash inflows from operations. For the year ended December 31, 2024, cash used in operating activities totaled $3,647,529 (December 31, 2023: $3,550,498) and $25,821,047 (December 31, 2023: $24,241,538) were spent on project related expenditures, excluding grant proceeds.

The Company's ability to continue to meet its administrative expenses and progress the Project is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. Based on projected administrative and Project expenditures, including the TLA obligations, 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 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.

Related Party	Nature of Transaction	2024	2023
Huston & Huston Holdings Corp.	Management fees	$ 1,020,000	$ 877,500
Rockford Resources LLC	Director fees	30,000	30,000
SSP Partners LLC	Director fees	30,000	30,000
Taiga Mining Company, Inc.		-	220,274
		$ 1,080,000	$ 1,157,774

Amounts owing to other related parties are non-interest bearing, unsecured and due on demand, primarily for payroll obligations. As at December 31, 2024, the Company owed $1,147,500 (December 31, 2023 - $690,000) to related parties.

During the year ended December 31, 2024, Taiga completed the following transactions with the Company:

i) exercised all of its 2,258,957 warrants under the Warrant Incentive Program at a reduced exercise price of CA$1.00 for gross proceeds of CA$2,258,957 and received 2,258,957 Sweetener Warrants. Each Sweetener Warrant is exercisable at CA$1.00 per share and expires three years from date of issue; and

ii) purchased 1,880,000 units of a non-brokered private placement offering that closed on December 24, 2024 at CA$0.75 per unit for gross proceeds of CA$1,410,000. Each unit consists of one common share of the Company and one common share purchase warrant exercisable at CA$1.00 per share and expires two years from date of issue.

As at December 31, 2024, 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, four (4) Vice-Presidents and the directors of the Company. During the years ended December 31, 2024 and 2023, the Company charged $1.9 million and $0.1 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:

	Years ended December 31, 2024	2023
Management fees	$ 1,020,000	$ 877,500
Director fees	120,000	120,000
Salaries	2,482,750	2,027,277
Share-based payments	3,701,474	4,067,310
	$ 7,324,224	$ 7,092,087

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 objectives 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 is not able to meet its financial obligations as they fall due.

As at December 31, 2024, the Company had a working capital balance of $144,421 (December 31, 2023: $74,499). On July 17, 2023, the Company was awarded a Grant of up to $37.5 million from the DoD to accelerate the completion of its Feasibility Study. On May 10, 2024, the Company signed a revised cost share agreement with the DoD to adjust the DoD's share of expenditures associated with the Feasibility Study from 50% to 75% based on a revised contract value of $49.8 million. The DoD's maximum share of the expenditures is now $37.3 million and as of December 31, 2024, the Company had received $34.2 million of this amount.

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 $4,117,974 in cash and cash equivalents at December 31, 2024, 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 December 31, 2024, 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 $145,262 (December 31, 2023: $24,594).

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 Annual Financial Statements are disclosed in Note 4 of the Annual Financial Statements.

Outlook

The Company's goal is to become a vertically integrated producer of premium anode active materials ("**AAM**") and other advanced graphite products by creating an integrated 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.

The Company's primary focus is to complete and file the NI 43-101 compliant FS on the Graphite One Project which includes the Graphite Creek mine with its primary processing facilities on Alaska's Seward Peninsula, and the AAM manufacturing plant in Ohio State. The NI-43-101 compliant FS is expected to be released in April 2025. A production decision is expected after financing is arranged and key permits are secured.

Following the release of the FS, the Company will submit an application to the EXIM bank which commences their due diligence procedures on the Project. The due diligence process is expected to take up to nine (9) months to complete before a decision can be made on providing up to $325 million in the form of a loan for the construction and operation of the AAM plant.

Permitting of the Graphite Creek mine is anticipated to begin in the third quarter of 2025. Activities include submission of:

US Army Corp. of Engineers ("**USACE**")
- Sections 404 dredge and fill wetlands permit

Alaska Department of Environmental Compliance ("**ADEC**")
- Section 401 water quality certification
- waste discharge permit
- stormwater discharge pollution prevention plan
- waste management permit
- air quality control construction permit
- air quality control operation permit

Alaska Department of Natural Resources ("**ADNR**")

- water rights permit

The USACE ruling on the 404 permit submission will determine if the process will be completed under an 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 provides more information against court challenges.

With the recent signing of the Agreements with Chenyu, the Company plans to begin working 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 signing of an EPCM contract is the second of eleven (11) milestones and results in the Company making the second milestone payment of $650,000 on or before July 31, 2025.

The Company will seek government funding to establish a pilot plant to conduct testing and research of advanced anode active materials for battery materials in the second quarter of 2025.

The Company plans to commence an equity financing in the second quarter of 2025 to fund costs associated with the design and engineering of the AAM plant. The 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 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 year ended December 31, 2024. 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 Feasibility Study, 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 Prefeasibility Study and Mineral Resource Estimates

The results of the Prefeasibility 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 at April 10, 2025:

Common shares issued and outstanding	146,269,376
Restriced share units	4,906,839
Performance share units	3,200,436
Stock options outstanding (weighted average exercise price CA$1.06)	12,230,738
Warrants outstanding (weighted average exercise price CA$1.04)	14,307,763
Broker warrants outstanding (weighted average exercise price CA$1.00)	153,749
Fully diluted	**181,068,901**

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 on SEDAR+ at www.sedarplus.ca and on the Company's website at www.graphiteoneinc.com.