

**GRAPHITE ONE INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the year ended December 31, 2025

As of March 19, 2026

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**Graphite One Inc.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2025**

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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 audited consolidated financial statements for the years ended December 31, 2025 and 2024, and the related notes thereto ("**Financial Statements**") and the Company's most recently filed annual information form ("**AIF**"). Other than the information set out under the heading 'Risk Factors' in the AIF, which is incorporated by reference herein, the AIF does not constitute part of this MD&A. These 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](http://www.sedarplus.ca).

This MD&A is prepared by management and approved by the Board of Directors as of March 19, 2026. The information and discussion provided in this MD&A is for the year ended December 31, 2025, and where applicable, the subsequent period up to the date of this MD&A. All dollar amounts in this MD&A and the Financial Statements are expressed in United States dollars. Reference to "\$" in this MD&A is the US dollar and reference to "CA\$" is the Canadian dollar.

**Cautionary Statement on Forward-Looking Statements**

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

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

Forward-looking statements are based on certain assumptions that the Company has made in respect thereof as of the date of this MD&A regarding, among other things: economic and operating conditions, including commodity prices, interest rates, tariff rates, exchange rates, and inflation; the changes in market activity and growth will be consistent with industry activity in Canada and the U.S. and growth levels in similar phases of previous economic cycles; anticipated sources of funding being available to the Company on terms favourable to the Company; the success of the Company's operations and growth prospects; the Company's competitive position, operating costs remaining substantially unchanged; that counterparties comply with contracts in a timely manner; the Company's plans to submit a financing application with Export-Import Bank of the United 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 develop and implement ESG and sustainability initiatives and practices and the costs associated therewith; and other risks and uncertainties described from time to time in filings made by the Company with securities regulatory authorities.

It is important to note that:

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

Investors are urged to read the Company's filings with the Canadian securities regulatory agencies which unless specifically incorporated herein are not part of this MD&A; these filings can be viewed online at the Company's profile on SEDAR+ at [www.sedarplus.ca](http://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**" or "**Graphite Creek Project**"), aimed at making the Company the dominant North American producer of both artificial graphite ("**AG**") and natural graphite ("**NG**") active anode materials ("**AAM**") integrated with a graphite resource. The Project is envisioned as a vertically integrated enterprise to mine and process NG, and to manufacture both AG and NG AAM primarily for the electric vehicle battery and energy storage system markets. Management's current plan is for graphite to be mined from the Company's Graphite Creek Property (the "**Property**"), situated on the Seward Peninsula about fifty-five (55) kilometers (37 miles) north of Nome, Alaska, and to be processed into concentrate at a mineral processing plant located adjacent to the mine (the "**Graphite Creek Project**"). The resulting graphite concentrate would be shipped to the second link in the Company's proposed supply chain solution, a secondary treatment plant ("**STP**"), where AAM and other value-added graphite products would be manufactured. With the Company's interest in locating a STP in the U.S., the Company would provide a 100% U.S.-based advanced graphite materials supply chain. The Graphite Creek Project's updated mineral resource and reserve estimates were released on March 27, 2025 and the full Feasibility Study (the "**FS**") entitled "Graphite Creek Project – NI 43-101 Technical Report and Feasibility Study, Seward Peninsula, Alaska" prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") was filed on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on April 23, 2025.

### **Recent Developments**

#### ***2026 Prospectus Offering***

On February 18, 2026, the Company closed a marketed public offering, pursuant to which the Company sold 20,002,000 units at a price of CA\$1.75 per unit (a "**Unit**") for aggregate gross proceeds of CA\$35,003,500 (\$24,625,382) (the

“Offering”). The Offering was conducted by a syndicate of agents, led by BMO Capital Markets (the “Agents”). Each Unit consisted of one common share of the Company (a “Common Share”) and one common share purchase warrant of the Company (a “2026 Warrant”). Each 2026 Warrant entitles the holder to acquire one Common Share at a price of C\$2.25 per share expiring on February 18, 2029. The Company paid the Agents a cash fee totaling CA\$2,010,210 (\$1,414,207) and incurred CA\$324,403 (\$228,221) on legal, filing fees, and other share issue related costs.

On March 3, 2026, the 2026 Warrants commenced trading on the TSX Venture Exchange (the “TSXV”) under the symbol GPH.WT.A. The 2026 Warrants are governed pursuant to the terms of a warrant indenture dated February 18, 2026 between the Company and Computershare Trust Company as warrant agent (the “2026 Warrant Indenture”). A copy of the 2026 Warrant Indenture is available under the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## **2025 Highlights**

### ***EXIM Bank Increases Letters of Interest to \$2.07 Billion***

On December 18, 2025, the Company received amended, non-binding Letters of Interest (“LoI”) from the Export-Import Bank of the United States (“EXIM”) for potential debt financing. The previously issued EXIM LoI for the planned Ohio AAM plant was upsized from \$325 million to \$1.4 billion (“Ohio LoI”) with a repayment tenor of 15 years under EXIM’s Make More in America Initiative, subject to a 30% equity contribution. The upsizing of the Ohio LoI will support a phased increase in production capacity in 25,000 metric tonne increments to an annual production rate of 100,000 metric tonnes of AAM.

The Company previously received a LoI on September 2, 2025 for \$570 million to advance the development of the Company’s Graphite Creek Project in Alaska and that was subsequently upsized on December 18, 2025 to \$670 million and is intended to finance up to 70% of that project’s cost.

Upon submission of a formal application to EXIM, EXIM will conduct due diligence and an underwriting process. Any final commitment is subject to EXIM’s eligibility, credit, and approval requirements and satisfaction of terms and condition. EXIM’s combined LoIs for the Company total \$2.07 billion.

### **Independent Testing Confirms Elevated Magnets and Heavy Rare Earth Presence in Graphite Creek Deposit**

On December 16, 2025, the Company announced the results from an independent analysis of Graphite Creek garnet material confirming the presence of Rare Earth Elements (“REE”) in the Graphite Creek deposit, with elevated levels of the magnet and Heavy Rare Earth Elements (“HREE”). The drill core samples were from the anticipated pit outlined in the FS, suggesting that REE recovery could potentially proceed alongside graphite extraction in the early years of mining operations.

Key findings from the testing performed by Activation Laboratory of Ancaster, Ontario included: (i) Bulk rock geochemical analyses indicating that Graphite Creek hosts an increased proportion of “Magnet REEs” and HREEs relative to light REEs; (ii) garnets, known for housing HREE+Sc+Y in their mineral structure, appear to be the reason for the relative abundance of HREEs at Graphite Creek; 85% of the REEs in the garnet material are magnet or HREEs; and (iv) dysprosium in the garnets ranges from 32-63 ppm; Yttrium in garnets ranges from 198-427 ppm; Scandium ranges from 84 to 141 ppm.

### ***Strategic Investment from Doyon Limited and Aleut Corporation***

On October 6, 2025, the Company closed a strategic investment from Doyon Limited (“Doyon”) and Aleut Corporation (“Aleut”), both Alaska Native corporations, for aggregate gross proceeds of CA\$6,981,500 (\$5,000,000) by way of a non-brokered private placement of 8,514,024 units at a price of CA\$0.82 per unit (a “Oct 2025 Units”), consisting of 5,108,414 units to Doyon and 3,405,610 to Aleut. Each Oct 2025 Unit consisted of one Common Share and one full common share purchase warrant (“Oct 2025 Warrant”) of the Company. Each Oct 2025 Warrant entitles the warrant

holder to acquire one Common Share of the Company at a price of CA\$1.03 per Common Share expiring on October 3, 2028 and includes participation rights on future financings so long as the Oct 2025 Warrants remain outstanding.

Subsequently, on February 18, 2026, Doyon exercised in full its 5,108,414 Warrants at a price of CA\$1.03 for proceeds of CA\$5,261,666.42 (\$3,864,894) and acquired 5,108,414 Common Shares of the Company.

#### **LIFE Offering for Aggregate Gross Proceeds of CA\$13,306,099**

On August 22, 2025, the Company closed a 'best efforts' brokered private placement (the "**Offering**") of 14,784,554 units (a "**Unit**") at a price of CA\$0.90 per Unit, for aggregate gross proceeds of CA\$13,306,099 (\$9,640,703). Each Unit consisted of one Common Share and one full common share purchase warrant, exercisable at CA\$1.10 per share at any time up until August 22, 2027 (the "**LIFE Warrants**"). The LIFE Warrants commenced trading on the TSXV on September 2, 2025, under the symbol GPH.WT. The LIFE Offering was conducted pursuant to the terms of an agency agreement between the Company and BMO Capital Markets and Raymond James (collectively, the "**Agents**"). The Company paid the Agents a cash fee of CA\$728,526. The Company incurred Agents fees, legal and other share issue costs totaling CA\$1,462,241 with respect to the LIFE Offering.

#### **FAST-41 Federal Permitting Dashboard**

On August 5, 2025, the Company completed the FAST-41 60-day Coordinated Project Plan ("**CPP**") process for the Company's Graphite Creek Project, with the resulting plan for reviews, authorizations and timeline posted on the FAST-41 Federal Dashboard. The CPP is a concise plan for coordinating public and agency participation in, and completion of, any required federal environmental reviews and authorizations for the Graphite Creek Project.

#### **Second Non-Binding Supply Agreement for Natural Graphite AAM with Lucid Group**

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

#### **Feasibility Study**

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

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

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The following tables summarize the FS economics and operation costs:

**Table 1: FS Economics**

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

1. Non-IFRS Financial Measure as defined below

**Table 2: Operating Costs**

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

The Project's post-tax IRR includes the estimated effects of Advanced Manufacturing Tax Credits available in April 2025 under U.S. Internal Revenue Code Section 45X for qualifying anode active material and critical mineral production.

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

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

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The AAM products are:

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

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

*Secondary Treatment Plant*

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

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

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

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**Table 3: STP Targeted Products and Estimated Prices**

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

<sup>1</sup> Artificial graphite AAM prices included equivalent of 48.7% tariff. Natural graphite AAM prices include equivalent of 20% tariff.

*Graphite Creek Mine*

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

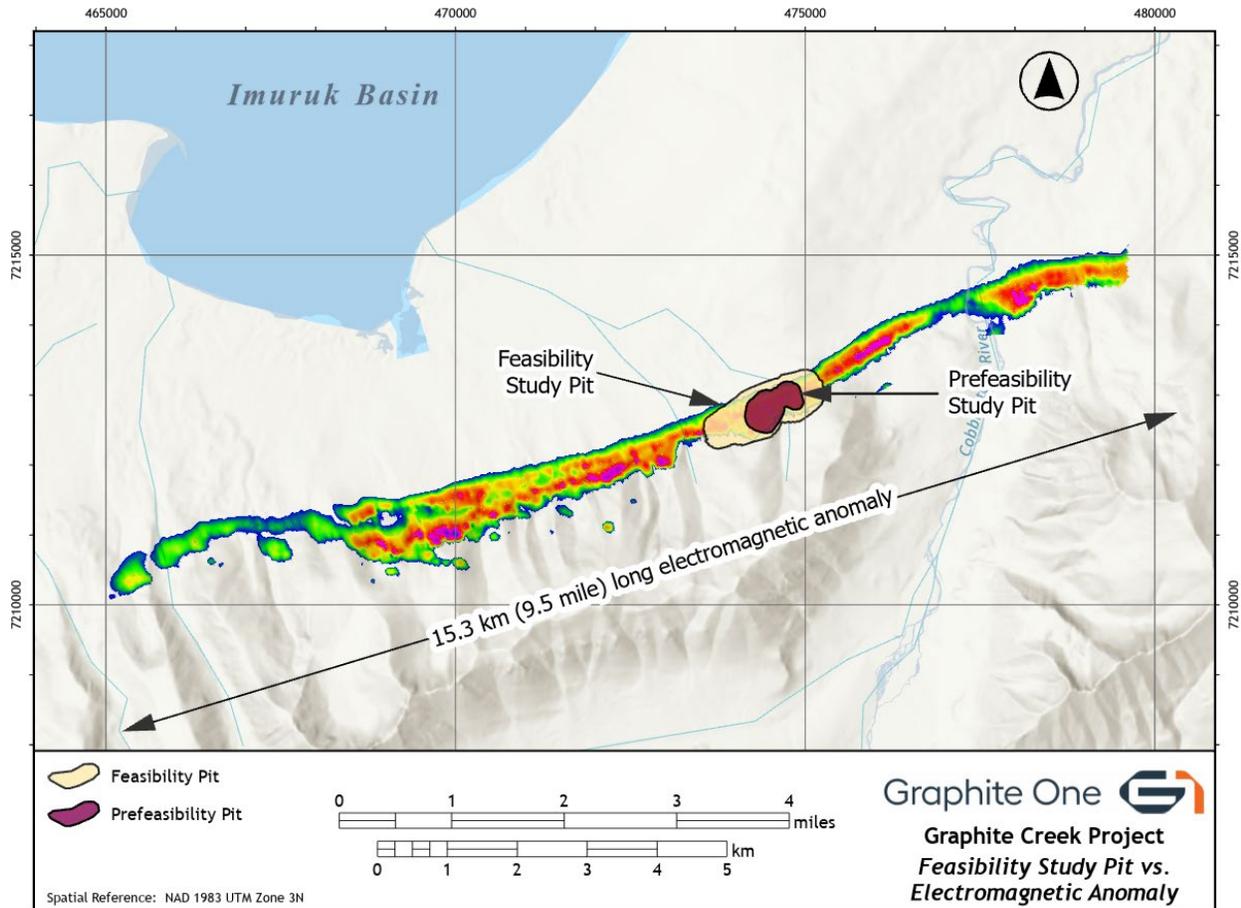
The process facility would process an average of 10,000 tonnes per day for 365 days per year. The flowsheet design is based on metallurgical test work conducted at SGS Canada Inc.'s facilities at Lakefield, Ontario. The flowsheet consists of a jaw crusher that feeds a semiautogenous grinding circuit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

*Mineral Resources and Reserves*

The Property comprises 23,680 acres (9,600 hectares) of State of Alaska mining claims. The claim block consists of 176 claims, of which 163 are wholly owned by Graphite One (Alaska) Inc. and 13 are leased to Graphite One (Alaska) Inc. G1's deposit is entirely on State land. The graphite mineral zone is exposed on the surface and strikes East/Northeast

along the North Face of the Kigluaik Mountains. The FS Pit and Mineral Reserve footprint represents just 1.2 miles (1.9 km) of the 9.5 miles (15.3 km) long electromagnetic anomaly (Figure 1).

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



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

The Mineral Resource estimate was updated with data through the 2024 drilling program and is effective as of March 25, 2025. The methodology used was the same as that described in the “Preliminary Feasibility Study, Technical Report - Graphite One Project, Alaska, USA” dated October 13, 2022, with an effective date of August 29, 2022 (the “PFS”). A lower cut-off grade of 2% was used for the 2022 and 2024 resource. The FS mineral resource estimate is presented in Table 4.

Table 4: 2024 Feasibility Study Mineral Resource Estimate 2.0% Cg Cutoff Grade<sup>1</sup>

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

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

Table 5: Mineral Resource Comparison – 2024 FS vs 2022 PFS<sup>1</sup>

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

\*Measured + Indicated

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

<sup>1</sup> Footnotes:

- Mineral Resource Statement is effective as of March 25, 2025
- 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.
- Inferred Mineral Resources represent material that is considered too speculative to be included in economic evaluations. Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Indicated or Measured Mineral Resources. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category.

Table 6: Graphite Creek Feasibility Study Mineral Reserve Estimate<sup>2</sup>

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

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

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

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

\*Proven + Probable

*Qualified Persons and NI 43-101 Technical Report*

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

<sup>2</sup>Mineral Reserve Footnotes:

- Mineral Reserves follow CIM definitions and are effective as of March 25, 2025.
- The Mineral Reserves are inclusive of mining dilution and ore loss.
- 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%.
- 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.
- 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.
- Tonnages are rounded to the nearest 1,000 t, graphite grades are rounded to two decimal places. Tonnage measurements are in metric units.
- Totals may not add due to rounding.

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

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

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

**Graphite Creek Update**

Permitting of the Graphite Creek Project began in the third quarter of 2025 with the submission of an application for a US Army Corp of Engineers (“**USACE**”) Section 404 Permit for the dredge and fill of materials in wetlands. The USACE has determined that the permitting effort will continue under an Environmental Assessment. The FAST-41 dashboard reflects an estimated completion date of September 2026 for the environmental review and permitting. Graphite One responded to a USACE Request for Information resulting from the Public Comment Period. The USACE met scheduled milestones with the initiation consultation processes related to the National Historic Preservation Act, the Endangered Species Act, and the Essential Fish Habitat.

The results of all prior environmental baseline work and project design have been incorporated into the comprehensive Environmental Evaluation Document and submitted to the USACE in support of the ongoing permitting process.

Graphite One is preparing for the following activities to be completed at Graphite Creek this summer: aquatic baseline surveys, surface and groundwater sampling, hydrology surveys, meteorological station maintenance, and minor

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wetlands mapping. These activities will take place in June and again in September. Additionally, a geotechnical drilling program to confirm access road material sites and bridge abutment conditions along the access road will be completed this summer.

**Graphite Creek Expenditures**

The following table summarizes the feasibility study, permitting and other project related expenditures for the year ended December 31, 2025:

Site Preparation, Drilling and Camp Operations	\$ 1,355,651
Project Management and Administration	2,623,807
Environmental Studies	2,315,511
Engineering	871,159
Geological Consulting	50,214
Capitalized Depreciation	372,819
Assays and Metallurgy	299,035
Capitalized Share-Based Payments	559,047
Community Consultation and Meetings	294,769
Land management and advanced royalties	198,928
<b>Total Graphite Creek Expenditures</b>	<b>8,940,941</b>
Secondary Treatment Plant	41,803
Less: Government Grants	(2,384,177)
<b>Total Project Expenditures, net of Grant Reimbursements</b>	<b>\$ 6,598,568</b>

During the year ended December 31, 2025, the Company drew down the remaining \$2,545,868 from the U.S. Department of Defense’s \$37.5 million Technology Investment Agreement grant (“**DoD Grant**”) under the Defense Production Act, funded through the Inflation Reduction Act, to fund 75% of the costs to accelerate the completion of the Graphite Creek FS.

**AAM Plant Development Project**

The AAM plant development project is the second link to the Company’s supply chain solution where AAM and other value added products are manufactured. In 2024, the Company entered into a Technology Licensing Agreement and a Consulting Agreement (Collectively, the “**Chenyu Agreements**”) with Chenyu Fuji New Energy Technology Co. Ltd (“Chenyu”) whereby Chenyu would provide advisory services in connection with the design, construction, commissioning, and operations of an AAM plant for agreed upon fees, including additional payments upon achieving certain milestones. As further described in the Company’s Outlook section, the first step in developing this plant will be to construct a 10,000 tpy finishing and blending plant for processing artificial graphite anode materials.

For the year ended December 31, 2025, the Company recognized \$828,001 (December 31, 2024: \$282,543) of development expenses associated with the planned manufacturing plant.

<b>Project Development</b>	<b>Years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Consulting fees	\$ 143,269	\$ 83,189
Lease expense	441,766	199,354
Personnel costs	168,338	-
Amortization	74,628	-
	<b>\$ 828,001</b>	<b>\$ 282,543</b>

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**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 government grants, to carry out work on the Project, including permitting requirements, and environmental studies and providing general operating working capital. Project expenditures are reflected in the Financial Statements as exploration and evaluation property and project development expense.

**Selected Financial Information**

The following tables summarize selected financial information for the years ended December 31, 2025, 2024, 2023:

	2025	2024	2023
Current assets (\$)	8,930,205	5,001,124	2,679,485
Exploration and evaluation property (\$)	67,683,657	61,080,089	57,683,886
Total assets (\$)	78,452,108	67,378,496	61,510,652
Current liabilities (\$)	3,663,917	4,856,703	2,604,986
Net loss (\$)	9,142,811	6,796,523	8,451,967
Basic and diluted loss per share (\$)	0.06	0.05	0.07
Weighted average number of common shares outstanding	154,606,781	137,089,738	125,780,861
Exploration and evaluation expenditures (\$), excluding grants	9,237,686	25,421,047	14,760,989

**Results of Operations**

The net loss for the three months ended December 31, 2025 was \$3,379,099, an increase of \$928,830 compared to a \$2,450,269 net loss for the same period in 2024. The increased net loss was due primarily to: (i) a \$553,288 increase in online marketing campaigns as part of the Company's strategy to raise the profile of the Company and its projects to European investors (ii) a \$272,525 increase in project development expenses for the planned synthetic graphite plant project and (iii) a \$247,072 increase in consulting and advisory fees, including \$97,167 of consulting fees related to compensation matters which is reported under office and administration. These were partially offset by the Company recognizing a provision for short-term incentive awards on a quarterly basis during 2025 compared to the prior year when the Company recognized the full provision in the fourth quarter of 2024.

The net loss for the year ended December 31, 2025 was \$9,142,811, an increase of \$2,346,289 compared to a net loss of \$6,796,523 in 2024. The increased net loss was due primarily to: (i) \$539,878 of management fees, salaries and benefits in 2024 were reimbursed under government grants, (ii) \$225,715 higher provision for 2025 short-term incentive awards, (iii) a \$593,225 increased spend on online marketing campaigns in Germany as described above (iv) \$545,458 of project development expenses for the planned synthetic graphite plant project, in particular, lease payments, consultants, and project salary costs, and (v) a \$467,446 increase in consulting and advisory fees including \$137,111 of consulting fees related to compensation matters that were reported under office and administration and \$225,000 of comparative consulting fees in 2024 were reimbursed under the DoD Grant.

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Operating Expenses

	Three months ended			Years ended		
	December 31,		Increase	December 31,		Increase
	2025	2024	(decrease)	2025	2024	(decrease)
<b>Project development, net of grant</b>	\$ 329,753	\$ 57,228	\$ 272,525	\$ 828,001	\$ 282,543	\$ 545,458
<b>G&amp;A Expenses</b>						
Management fees, salaries and benefits	683,077	904,689	(221,612)	2,179,058	1,400,656	778,402
Marketing and investor relations	889,276	335,988	553,288	1,375,940	782,715	593,225
Consulting and advisory fees	235,976	92,071	143,905	612,904	282,569	330,335
Office and administration	215,284	87,923	127,361	612,030	420,057	191,973
Professional fees	147,590	111,996	35,594	399,248	439,918	(40,670)
Share-based payments	856,972	822,450	34,522	3,251,658	3,150,712	100,946
<b>Total G&amp;A Expenses</b>	<b>3,028,175</b>	<b>2,355,117</b>	<b>673,058</b>	<b>8,430,838</b>	<b>6,476,627</b>	<b>1,954,211</b>
<b>Total Operating Expense</b>	<b>\$ 3,357,928</b>	<b>\$ 2,412,345</b>	<b>\$ 945,583</b>	<b>\$ 9,258,839</b>	<b>\$ 6,759,170</b>	<b>\$ 2,499,669</b>

Project Development, net of grant

Project development costs, net of grant reimbursements, for the three months ended December 31, 2025 increased \$272,525 to \$329,753 compared to \$57,228 for the same period in 2024. The increase was primarily attributable to expenses related to the Ohio lease, salary and benefit costs, and amortization of milestone payments to Chenyu pursuant to the Chenyu Agreements, all associated with planning activities for the AAM plant project.

Project development costs, net of grant reimbursements, for the year ended December 31, 2025 increased \$545,458 to \$828,001 compared to \$282,543 in 2024. The increase was due to the same reasons as explained above.

Management fees, salaries, and benefits

Management fees, salaries, and benefits for the three months ended December 31, 2025 decreased \$221,612 to \$683,077 compared to \$904,689 for the same period in 2024. The decrease was due primarily to recognizing a provision for short-term incentive awards on a quarterly basis during 2025 compared to the prior year when the Company recognized the full provision in the fourth quarter of 2024. This was partially offset by \$329,210 of management fees, salaries and benefits that were allocated to and subsequently recovered from government grant-supported projects in the comparable period in 2024.

Management fees, salaries, and benefits for the year ended December 31, 2025 increased \$778,402 to \$2,179,058 compared to \$1,400,656 in 2024. The increase was primarily attributable to a higher provision for short-term incentive awards of \$225,715 and lower management fees, salaries and benefits were allocated to government grant-supported projects in 2025 by \$539,878.

Marketing and investor relations

Marketing and investor relations for the three months ended December 31, 2025 increased \$553,288 to \$889,276 compared to \$335,988 for the same period in 2024. The increase was primarily due to expanded European digital marketing campaigns aimed at raising the profile of the Company and its projects to European investors.

Marketing and investor relations expense for the year ended December 31, 2025 increased \$593,225 to \$1,375,940 compared to \$782,715 in 2024. The increase reflects expanded digital marketing initiatives and broader investor outreach efforts undertaken during 2025.

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Consulting and advisory fees

Consulting and advisory fees for the three months ended December 31, 2025 increased \$143,905 to \$235,976 compared to \$92,071 for the same period in 2024. The increase was due primarily to higher government grant advisory services, while the comparable period in 2024 included \$120,000 of consulting costs allocated to the feasibility study of which 75% were reimbursed under the \$37.5 million DoD Grant.

Consulting and advisory fees for the year ended December 31, 2025 increased \$330,335 to \$612,904 compared to \$282,569 in 2024. The increase reflects higher government grant advisory services in 2025 and the allocation of \$225,000 of certain consulting fees to the feasibility study in the prior year of which 75% were reimbursed under the \$37.5 million DoD Grant.

Office and administration

Office and administration for the three months ended December 31, 2025 increased \$127,361 to \$215,284 compared to \$87,923 for the same period in 2024. The increase is primarily due to increased support from an executive compensation consulting firm.

Office and administration for the year ended December 31, 2025 increased \$191,973 to \$612,030 compared to \$420,057 in 2024. The increase is primarily due to increased support from an executive compensation consulting firm.

Professional Fees

Professional fees for the three months ended December 31, 2025 increased \$35,594 to \$147,590 compared to \$111,996 for the same periods in 2024. The increase was due partially to increased tax service fees and slightly higher audit fees.

Professional fees for the year ended December 31, 2025 decreased \$40,670 to \$399,248 compared to \$439,918 in 2024. The decrease was due primarily to lower corporate legal services.

Share-based payments

Share-based payments for the three months ended December 31, 2025 were \$856,972 and were relatively flat compared to \$822,450 for the same period in 2024.

Share-based payments for the year ended December 31, 2025 increased \$100,946 to \$3,251,658 compared to \$3,150,712 in 2024. The increase was primarily due to an increased number of awards to employees and consultants.

*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 31 2025	Sept 30 2025	Jun 30 2025	Mar 31 2025
Net loss (\$)	3,379,099	2,318,411	1,882,003	1,563,298
Basic and diluted loss per share (\$)	0.02	0.02	0.01	0.01

Quarter ended	Dec 31 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

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The net loss for the fourth quarter of 2025 increased \$1,060,688 to \$3,379,099 compared to a \$2,318,411 net loss for the third quarter of 2025. The increase in net loss was primarily due to commencement of digital marketing campaigns in the fourth quarter to raise the profile of the Company and its projects to European investors.

The net loss for the third quarter of 2025 increased \$436,408 to \$2,318,411 compared to a \$1,882,003 net loss for the second quarter of 2025. The variance was primarily driven by higher non-cash stock-based compensation expense of \$328,288, largely driven by amortizing the fair value of 2025 equity awards granted in the third quarter.

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

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

#### **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, 2025.

As of December 31, 2025, the Company had a cash balance of \$8,367,893 (December 31, 2024: \$4,117,974) and working capital of \$5,266,288 (December 31, 2024: \$144,421). The increase in cash and cash equivalents was due to the increased equity financing in 2025, which included a LIFE Offering of 14,784,554 Units at a price of CA\$0.90 per Unit for gross proceeds of CA\$13,306,099 (\$9,640,703), a non-brokered private placement of 8,514,024 at a price of CA\$0.82 per Unit for gross proceeds of CA\$6,981,500 (\$5,000,000), and the exercise of warrants and options for gross proceeds of CA\$8,550,699 (\$6,122,496).

The Company has incurred losses since its inception and has not generated any cash inflow from the operations. Cash used in operating activities for the year ended December 31, 2025 increased \$4,687,368 to \$8,334,897 compared to \$3,647,529 in 2024. The increase was due to \$1,337,887 of higher withholding tax payments on vested share units, \$1,093,977 paydown of accounts payables, and higher expenses primarily on: (i) \$764,878 of project related Personnel Costs that were allocated to government grants supported projects as described above (ii) a \$593,225 increased spend on marketing expenses as described above, and (iii) \$517,808 of project development expenses for the planned synthetic graphite plant project, in particular, lease payments, consultants, and project salary costs.

During the year ended December 31, 2025, the Company drew down the remaining \$2.5 million (December 31, 2024: \$25.0 million) of the \$37.3 million DoD Grant. As of December 31, 2025, no funds remain available under the Grant and all receivables have been received.

During the year ended December 31, 2025, the Company received \$6,122,496 from the exercise of 7,950,569 common share purchase warrants and stock options.

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On October 6, 2025, the Company closed a strategic investment from Doyon and Aleut for aggregate gross proceeds of CA\$6,981,500 (\$5,000,000) by way of a non-brokered private placement of 8,514,024 units at a price of CA\$0.82 per unit. Each unit consists of one common share and one common share purchase warrant entitling the warrant holder to acquire one additional common share at CA\$1.03 per share for three (3) years to October 6, 2028. On February 18, 2026, Doyon exercised in full its 5,108,414 Warrants at a price of CA\$1.03 for proceeds of CA\$5,261,666 (\$3,864,894) and acquired 5,108,414 Common Shares of the Company.

On August 22, 2025, the board of directors approved a grant of long-term incentive awards for the calendar year 2025 to employees, officers, directors, and advisors consisting of 410,000 stock options (“Options”), 3,024,730 restricted share units (“RSU”) and 2,441,716 performance share units (“PSU”) pursuant to the terms of the Company’s Amended Omnibus Plan.

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

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

On April 14, 2025, the Company granted 583,015 RSUs to directors pursuant to the terms of the Company’s Omnibus Plan. The RSUs vest on April 14, 2026, one year from the grant date.

**August 2025 LIFE Financing – Planned vs. Actual Use of Proceeds**

In August 2025, the Company completed a LIFE Offering for gross proceeds of CA\$11,975,000, compared to planned gross proceeds of CA\$18,000,000. As a result, net proceeds were CA\$10,513,000 compared to planned net proceeds of CA\$16,310,000.

The following table is a summary of proceeds and use of funds:

<b>August 2025 Financing</b>	<b>CA\$ Planned</b>	<b>CA\$ Actual</b>	<b>CA\$ Variance</b>
Gross Amount	\$ 18,000,000	\$ 11,975,000	\$ (6,025,000)
Selling commissions & fees	(1,440,000)	(844,000)	596,000
Other offering costs	(250,000)	(618,000)	(368,000)
<b>Net Proceeds</b>	<b>\$ 16,310,000</b>	<b>\$ 10,513,000</b>	<b>\$ (5,797,000)</b>

<b>Use of Funds</b>	<b>CA\$ Planned</b>	<b>CA\$ Actual</b>	<b>CA\$ Variance</b>
Working Capital Deficit	\$ (6,400,000)	\$ (1,831,000)	\$ 4,569,000
Environmental studies & permitting	(5,083,000)	(3,563,000)	1,520,000
Second milestone payment to Chenyu	(900,000)	(900,000)	-
Unallocated general corporate purposes	(3,927,000)	(4,219,000)	(292,000)
<b>Total use of funds</b>	<b>\$ (16,310,000)</b>	<b>\$ (10,513,000)</b>	<b>\$ 5,797,000</b>

The lower net proceeds were attributable to the Company raising less than the originally targeted amount under the LIFE Offering. Selling commissions were correspondingly lower than anticipated due to the reduced size of the LIFE

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Offering. Other costs were higher than planned due primarily to incremental advisory fees incurred in connection with the LIFE Offering.

Given the reduced net proceeds, the Company adjusted its allocation of funds while prioritizing key strategic expenditures. The most significant adjustments were as follows:

**Working Capital Deficit:** The Company applied CA\$1,831,000 toward reducing its working capital deficit compared to the originally planned CA\$6,400,000. The lower allocation reflects the reduced size of the financing and the Company's decision to preserve capital for project-related expenditures and fund the working capital balance through future financings.

**Environmental Studies and Permitting:** The Company expended CA\$3,563,000 compared to the planned CA\$5,083,000. The reduction reflects timing of permitting and environmental activity, and not a reduction in these activities, with on-going expenditures funded through other financings.

**Second milestone payment to Chenyu:** The Company completed the CA\$900,000 milestone payment as planned.

**General Corporate Purposes:** CA\$4,219,000 was used for general corporate purposes compared to the planned CA\$3,927,000. The modest increase reflects the reallocation of funds to support ongoing corporate overhead and operational requirements..

Overall, the variances in use of proceeds were primarily driven by the Company raising CA\$6,025,000 less in gross proceeds than originally anticipated. The Company has prioritized critical project expenditures and contractual obligations, while deferring certain discretionary or timing-flexible expenditures.

The reduction in net proceeds has been offset by additional financing as discussed in the previous paragraphs to continue all previously planned environmental and permitting activities and to address its working capital requirements.

### **Going Concern**

As of December 31, 2025, the Company had a cash balance of \$8,367,893 (December 31, 2024: \$4,117,974), working capital of \$5,266,288 (December 31, 2024: working capital of \$144,421), and an accumulated deficit of \$63,870,989 (December 31, 2024: \$54,728,178). The Company has incurred losses since inception and does not generate any cash inflows from operations. For the year ended December 31, 2025, cash used in operating activities totaled \$8,334,897 (2024: \$3,647,529) and \$9,887,686 (2024: \$25,821,047) were spent on project related expenditures, including expenses related to an intangible asset and excluding grant proceeds. In the first quarter of 2026, the Company closed its marketed public offering of 20,002,000 units for aggregate gross proceeds of CA\$35,003,500 (\$24,625,382) and proceeds of CA\$8,217,366 (\$5,944,264) from the exercise of 7,795,414 common share purchase warrants.

The Company's ability to continue to meet its administrative expenses, permit the mine, and advance the design and engineering of the proposed synthetic graphite manufacturing facility in Ohio is uncertain and dependent upon the continued financial support of its shareholders and on securing additional funding to operate as a going concern. Based on the forecasted administrative and project expenditures for the next twelve months, the Company will require additional financings. There can be no assurance that the Company will be successful in securing additional financings to carry out its operating and capital expenditures for the next twelve (12) months, 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 consolidated 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.

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**Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements, including arrangements that have or are reasonably likely to have a current or future effect on the Company’s financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

**Related Party Transactions and Balances**

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

Related Party	Nature of Transaction	Years ended December 31,	
		2025	2024
Huston & Huston Holdings Corp.	Management fees	\$ 510,000	\$ 510,000
Rockford Resources LLC	Director fees	30,000	30,000
SSP Partners LLC	Director fees	30,000	30,000
		<b>\$ 570,000</b>	<b>\$ 570,000</b>

Amounts owing to related parties are non-interest bearing and unsecured and relates to short-term incentive award obligations. As of December 31, 2025, the Company owed \$1,106,600 (December 31, 2024 - \$1,147,500) to related parties.

As of December 31, 2025, Taiga holds approximately 23% of the Company’s outstanding Common Shares.

**Key management and directors’ compensation**

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and includes the President and Chief Executive Officer, Executive Chair, Chief Financial Officer, and one Vice-President. During the current quarter, management reassessed the composition of key management personnel in accordance with IAS 24 Related Party Disclosures. Accordingly, prior period comparative figures for key management compensation have been revised to reflect this change. During the year ended December 31, 2025, the Company

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charged \$0.1 million and \$0.3 million, respectively, of key management compensation to exploration and evaluation property and to the fire-fighting foam suppressant project.

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

	Years ended	
	December 31, 2025	
	2025	2024
Management fees and benefits	\$ 1,098,794	\$ 1,050,070
Director fees	120,000	120,000
Salaries and benefits	1,504,166	1,453,405
Share-based payments	3,068,682	3,417,693
	<u>\$ 5,791,642</u>	<u>\$ 6,041,169</u>

### **Financial Risk Management**

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company's risk management processes is 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 has determined that such risk is minimal. To minimize counterparty risk, the Company holds most of its cash with financial institutions that have a long-term credit rating of at least A from Standard & Poor's or an equivalent rating agency.

#### *Liquidity risk*

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

#### *Interest rate risk*

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

The Company had \$8,367,893 in cash and cash equivalents as of December 31, 2025, on which it earns variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

*Foreign currency risk*

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

At December 31, 2025, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the United States Dollar would result in an increase or decrease in the Company's net loss by \$95,583 (December 31, 2024: \$145,262).

*Fair Values*

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

**Critical Accounting Estimates and Judgments in Applying Accounting Policies**

Critical accounting estimates and judgments that have the most significant effect on the amounts recognized in the Financial Statements are disclosed in Note 4 of the audited December 31, 2025 financial statements.

**Outlook**

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

The Company continues to work towards submitting the following major State of Alaska permits and authorizations:

**Alaska Department of Environmental Compliance:**

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

**Alaska Department of Natural Resources:**

- Water rights permit

The first phase of the Company's strategy is to construct an AAM facility beginning with the construction of a 10,000 tpy finishing and blending plant for processing artificial graphite anode materials. Initial designs are under review and equipment quotes have been received. The consulting firm TRC Environmental Corporation has been contracted to develop the permit applications that would be submitted once power has been secured for the site. The Company continues to advance discussions with FirstEnergy of Ohio regarding power supply and interconnection requirements for the proposed facility.

Shawn Huffman was appointed as Project Manager in February 2026, for the AAM construction project to oversee development and execution activities.

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

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

**Risk Factors**

Readers of this MD&A should consider the information included or incorporated by reference in this document and the Financial Statements and related notes for the year ended December 31, 2025. For further details of risk factors, please refer to the AIF filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), the Financial Statements, and the below discussions.

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 the AIF or 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; availability of goods and services including electricity in a cost effective and timely manner; changing governmental law and regulation; hiring and retaining skilled employees and contractors; and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks; however, the Company is not fully insured against all risks nor are all such risks insurable.

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

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

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

Regulatory risks include delays in regulatory approvals for developments and transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filings, and the introduction of ever more complex reporting requirements, the cost of which the Company must meet 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 because 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 depend 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 financing, 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 flow, earnings, results of operation and financial condition.

*Imprecision of Feasibility Study and Mineral Resource Estimates*

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

*Other Risks*

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. For a comprehensive list of the risks and uncertainties facing the Company, please see "Risk Factors" in the Company's most recent AIF available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Outstanding Share Data**

The following table summarizes the Company's outstanding share capital as of March 19, 2026:

Common shares issued and outstanding	208,430,362
Restricted share units	4,418,264
Performance share units	4,873,272
Stock options outstanding (weighted average exercise price CA\$1.09)	11,794,348
Warrants outstanding (weighted average exercise price CA\$1.62)	21,800,404
Broker warrants outstanding (weighted average exercise price CA\$1.00)	121,733
<b>Fully diluted</b>	<b>251,438,383</b>

### **Management's Report on Internal Control over Financial Reporting**

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

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

### **Other Information**

Additional information related to the Company is available for viewing at the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.graphiteoneinc.com](http://www.graphiteoneinc.com).