FORM 51-102F1
SAINT JEAN CARBON INC.
MANAGEMENT DISCUSSION & ANALYSIS

For the year ended October 31, 2016

This Management Discussion and Analysis ("MD&A) was prepared February 1, 2017.

This MD&A of the results of operations and the financial condition of Saint Jean Carbon Inc. ("St. Jean" or the "Company") supplements but does not form part of the audited financial statements and accompanying notes of the Company for the year ended October 31, 2016. Consequently, the following discussion and analysis of the financial condition and results of operations of Saint Jean Carbon Inc. should be read in conjunction with the audited financial statements for the year ended October 31, 2016.

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of St. Jean is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in the forward looking information made as of the date of this MD&A.

With respect to timely disclosure by St. Jean of data and information in general, and especially in the MD&A, materiality and material information is considered by the Company as something that would be likely to affect the Company's share price or influence an investor's decision whether or not to buy, sell, or hold shares once it becomes known to the public.

Additional information can be found on St. Jean on the SEDAR website (www.sedar.com) and on the Company's website (www.saintjeancarbon.com).

DESCRIPTION OF BUSINESS

St. Jean is a junior resource company involved in the acquisition and exploration of property interests that are considered potential sites of economic mineralization and the potential use of such mineralization in the production of graphite and graphene.

During the last two years, the Company has engaged in the design and build of green energy storage such as lithium-ion batteries. With green energy creation, the Company is working towards building materials that will allow the super-efficient transfer of the sun's energy through graphene such as the photocell. Several patents have been filed and the Company has partnered with universities and businesses to convert raw materials into technologically advanced materials and continual work is being done on these processes to develop value in the technology area.

The Company holds, and this year has enlarged, its Quebec graphite properties and has also obtained a large lithium claim in Quebec. The Company continues to hold its historic molybdenum properties in British Columbia and gold properties in Manitoba. Since 2013, the Company has concentrated on the acquisition of lump graphite properties in the province of Quebec and is in the process of evaluating and developing these graphite properties. St. Jean has NI 43-101 reports on two of the properties. It has not yet determined whether they contain reserves that are economically recoverable. Work continues to be performed on the properties with the completion of its Electromagnetic surveys on the Walker and Bell properties, the completion of phase one of the summer work program and the commencement of a Preliminary Economic Assessment (PEA). As well there was the announcement of a significant work program to be conducted in 2017.

St. Jean is a reporting issuer in Alberta and British Columbia and is a listed Tier 2 issuer on the TSX Venture Exchange, trading under the symbol "SJL" (formerly TCR). The Company also trades in the U.S. on the OTC-QB market under the symbol TORVF. The Company is a Venture issuer and is not required to file an Annual Information Form.

GENERAL DEVELOPMENT OF THE BUSINESS

Saint Jean Carbon Inc. (formerly Torch River Resources Inc. and previous to that Torch River Mines Ltd.) was incorporated on June 18, 1997, by Certificate of Incorporation issued pursuant to the provisions of the *Companies Act* (Alberta) and extra-provincially registered to carry on business in the provinces of Saskatchewan, Manitoba, British Columbia and Quebec.

Torch River Mines Ltd. held 100% interests in the High Rock Mineral claim block (gold) and the Climpy Mineral claim both located in Island Lake Manitoba. On March 26, 2004, the Company was officially formed from the amalgamation of Tael Capital Inc. and Torch River Mines Ltd. under the *Business Corporations Act* (Alberta) under the name Torch River Resources Ltd. The amalgamation was the Company's Qualifying Transaction for listing on the TSX Venture Exchange.

On July 8, 2005, the Company signed an option agreement with Red Bird Resources Ltd. (the "Red Bird Option Agreement") on a molybdenum mineral claim located in the central coastal region of British Columbia., The Company did significant work on this property and currently retains a 25% undivided interest in the property which was earned as at May 31, 2008.

On February 12, 2008, the Company signed an option agreement on (the "Mount Copeland Option Agreement") a past producing molybdenum property located near Revelstoke, British Columbia (the "Mount Copeland property"). The Company renegotiated the Option Agreement and acquired 100% of the property (subject only to a 2.75% Net Smelter Agreement). There was significant work done when molybdenum prices were higher.

In 2013, the Company moved into the graphite space and announced that it had completed the transaction to acquire the Walker graphite property. The property covers 9.02 square kilometers of land and is located, in Quebec, 40 kilometers north-east of Ottawa. This is a past lump graphite producing property. Additional tenures have been added in the area surrounding this property during the 2016 fiscal year.

On October 30, 2013, the name of the Company was changed from Torch River Resources Ltd. to Saint Jean Carbon Inc.

On December 15, 2014, the Company acquired the Miller East and Page properties.

On February 2, 2015, the Company announced that it had completed the acquisition of the Clot Properties. On June 1, 2015, the Company announced an NI 43-101 report on the property.

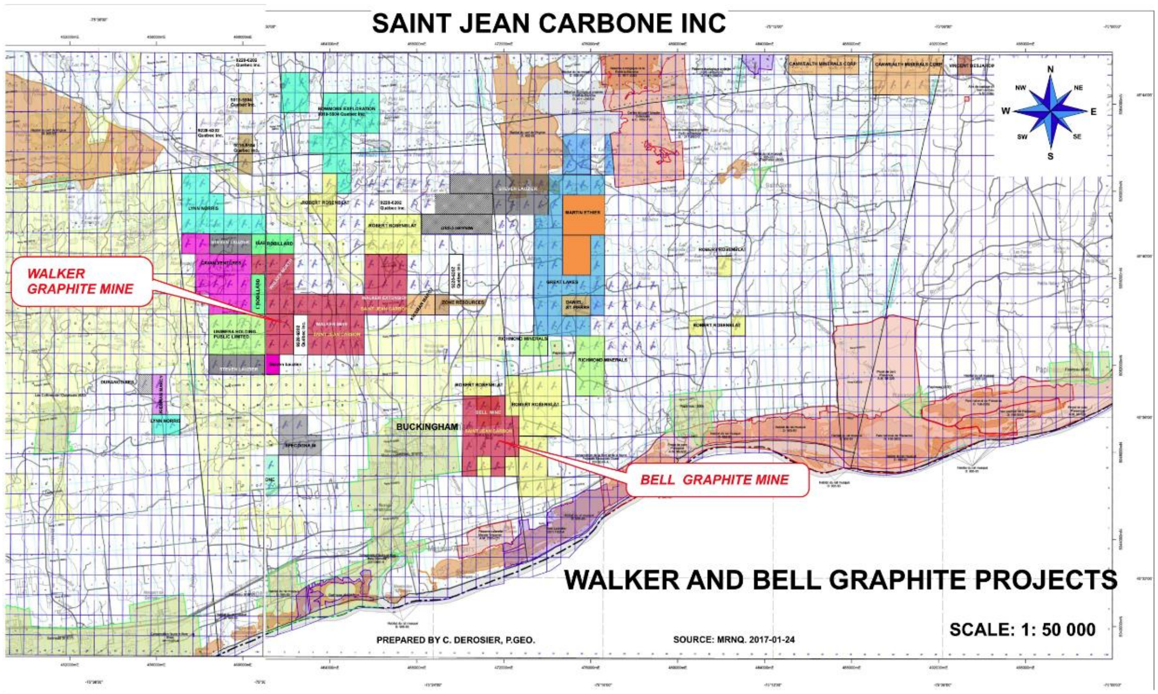
On October 1, 2015, the Company announced that it had received a Research Grant from the Natural Sciences and Engineering Research Counsel of Canada ("NSERC") to cover work conducted at the University of Waterloo Carbon Nanotechnologies Laboratory. On November 24, 2015, the Company received a further grant from NSERC. The grant was used for the specialized graphene development work carried out at the University of Western Ontario ("Western"). Subsequent to year end, the Company received an additional grant with Western for the development of graphene-based systems with special magnetic properties.

On June 8, 2016, the Company announced that it had acquired the Bell Hydrothermal lump/vein graphite mine. The Bell property comprises 13 claims (CDC) for a total area of 782.47 ha. It is located on Buckingham and Lochaber Townships in southwestern Québec.

On August 10, 2016 the Company announced that they had acquired their first of two Lithium properties, the Whabouchi Lithium Project located in the James Bay region of Quebec as well as an additional 34 graphite mining claims located in southwestern Quebec in the Buckingham district.

On October 28, 2016 the Company announced that it had closed the transaction for an additional 27 lithium claims in south Wabouchi. These claims are contiguous with the claims acquired in August 2016 located in the James Bay region of Quebec.

SUMMARY OF PROPERTIES



Walker

The Walker property is located 8 kilometers northwest of Buckingham, in Buckingham Township. The property was comprised of 15 claims with a total area of 901.98 hectares. An additional 7 claims were acquired during 2016 totalling 420.77 hectares, bringing the property total to 1,322 hectares.

The Walker property includes the Walker mine, a past graphite producer with about 816 tons of flaky and lump graphite extracted from the mine between 1876 and 1906. Main roads are located 2 kilometers away from the Walker Mine. A secondary or private road runs up to the property site which allows for easy access. The property is located in the Central Metasedimentary Belt of the Grenville geological Province, which comprises north-northeast trending marble and quartzite domains that also include quartzo-feldspathic gneisses and tonalitic intrusions. In the area surrounding Walker Property, regional metamorphism is upper amphibolite grade and reaches the granulite facies, locally.

The Walker property was first worked by the Buckingham Mining and Dominion of Canada Plumbago Co. In 1876, Dominion of Canada Plumbago Co. erected a mill on lot 19 which was connected with the mine by 335 m of tramway. Graphite of the disseminated form was abundant on all the lots 19, 20 and 21 of the VIII range while the vein (or lump) graphite form was predominant on lot 21 of the VII and VIII ranges (Obalski 1889, Spence 1920).

In 1879, Mr. W. H. Walker of Ottawa purchased the mines from Dominion of Canada Plumbago Co. In 1889, about 100 t. of lump graphite were recorded to have been mined from 15 distinct veins. After some intermittent work between 1890 and 1896, operations ceased until 1906, when the Buckingham Graphite Co. partially remodeled the mill, installing a dry process of concentration, and mined some ore. This represents the last work on the property (Spence 1920).

Graphite from the disseminated forms was mined from several beds of 1 to 7.5 m in thickness, on a hill 30 to 60 m high, at the foot of which an opening was made followed by a drift running for 21 m into the ore. The carbon content was reported to average 15% and could reach 25% (Spence 1920). The mineralized horizon strikes northeast and dips 60°. The veins or pods are irregular, massive to semi massive and could reach up to four inches (0.1 m) in thickness and could be followed over length from 3 to 15.8 metres (Denis et al. 1913). Most of them adopt a NE trend and occur near the contact between crystalline marble and paragneiss. There are more than 30 pits reported in an area comprised within lots 19 to 21 in ranges VII, VII and IX of the Buckingham Township (Maurice, 1984). It has to be noted that these pits may not be entirely inside Walker's property.

On October 15, 2013 the Company announced results of two test programs on its lump graphite, those being the combination of higher reagent concentration and longer retention times in the fifth test which provided the 99.1% C best result (see news release for details). The test work was carried out at Process Research Ortech in Mississauga, Ontario and lab analysis was done at Activation Laboratories in Ancaster, Ontario.

Also in October 2013, a beep mat survey was undertaken in the west portion of the property, on a grid over old pits from which vein type graphite was extracted. The survey returned 20 conductive anomalies forming two distinct clusters. Small graphite veins were exposed below strongest beep mat anomalies at depths ranging from 0.3 to 0.6 m. During the summer of 2016, helicopter-borne magnetic and TDEM surveys were received from Prospectair Geoservice as they flew over the Walker property. Work program continued to be conducted throughout this fiscal year.

Bell

The Bell property is located approximately 5 km south east of our Walker property. It was acquired in June, 2016. The Bell property comprises of 13 claims (CDC) for a total area of 782.47 ha. It is located on Buckingham and Lochaber Townships in southwestern Québec, about 135 km west of Montréal, Qc and 30 km northeast of Ottawa, Ontario, immediately east of the town of Buckingham. A 43-101 report was published on this property in 2015. Helicopter-borne magnetic and TDEM surveys were also received from Prospectair Geoservice, as part of our work program, they flew over the Bell property this summer.

Historically, the Bell Mine produced about 6,700 tons of graphite between 1906 and 1912 while the New Québec Mine produce 2,500 tons of graphite from 1912 to 1920. Exploration drilling was performed in the early fifties which define the downward extension of Bell Mine graphite deposit.

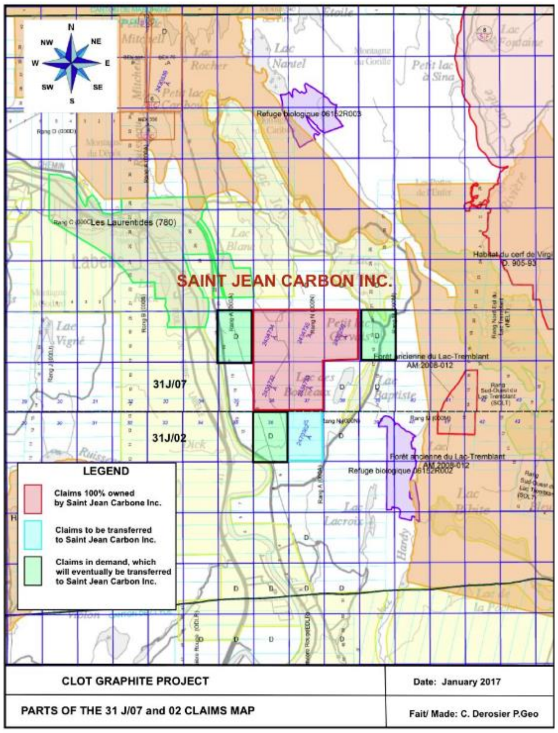
The property is found in the Central Metasedimentary Belt (CMB) of the Grenville geological Province, with regional metamorphism reaching upper amphibolite grade and granulite facies locally. The Buckingham Property is mostly underlain by different types of paragneisses intermixed with large bands and lenses of marbles and quartzites with SW-NE to NS orientation.

Known graphite mineralisation consist of multiple narrow bands trending NNE (020°). At the Bell Mine Pit, these bands occur in paragneiss in association with disseminated pyrite. They were found within a working thickness from 1 to 5 m and have been follow over a strike length of 660 m and its extension at depth has been demonstrate by drilling in 1950. At the New Quebec smaller mine pits, the graphite is associated with a grey calcite-biotite gneiss, devoid of sulfides. One of the pit follow a one meter thick highly schistose zone enriched with flaky graphite over a 10 m strike length and is well exposed at its northern end.

Graphite enrichment within highly schistose bands may imply migration and recrystallisation as large flakes in shear zones which may have enhanced both continuity and quality of the mineralisation. EM geophysics is well suited to better define such mineralisation.

Exploration included two phase of works during the summer of 2013 and the spring of 2015. Remnants of graphite rich bands (47 samples) from historical mine pits were submitted to ALS Chemex Laboratory in Val-d'Or which returned concentration from traces to 22% organic carbon.

The historical drilling by Frobisher Ltd in early fifties defines the extension at depth of the Bell Mine Graphite Deposit and results in a pre-43-101 estimation of 185 100 tons at 9.4 % graphite which constitute an exploration targets by today's standard. Although this graphite occurrence show the high potential of the property it may not be the best targets on the property because of the presence of pyrite and its higher depth. Instead, the lateral extension of the graphite rich schistose zone should be investigated by geophysics and trenching, which may reveals shallow occurrence of high quality graphite.



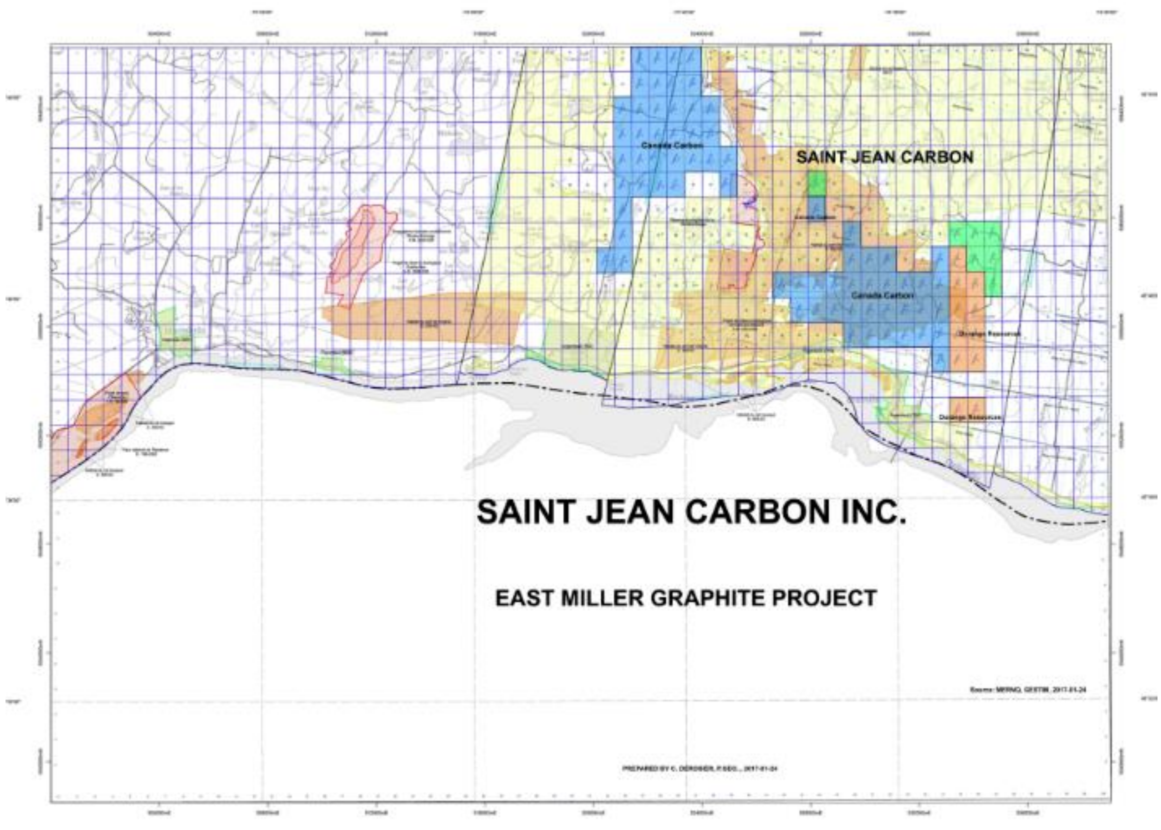
Clot

The Clot property is located 3 kilometers South of Labelle village in the Laurentian region, about 150 kilometers northwest of Montréal and is depicted in NTS map 31J07 (Joly Township). The property consists of 5 claims for a total of 297.35 hectares. The property is readily accessed from public roads connecting to Labelle village. The east portion of the property is on public land whereas the westernmost claims are on private land. The property is found in the Morin Terrane of the Grenville geological Province, near the Labelle Deformation Zone which separates the Morin Terrane to the East with the Central Metasedimentary Belt to the West.

The Morin Terrane incudes the Morin Anorthosite Complex and related granitic intrusions with granulite –facies mineral assemblages. These intrusive rocks consists of monzonite, or hypersthene-bearing monzonite (mangerite) and some granites. Anorthosite-suite rocks are deformed both in shear zones and in the interior of the terrane and show intrusive contact relations with marbles which were observed near the St. Jovite village.

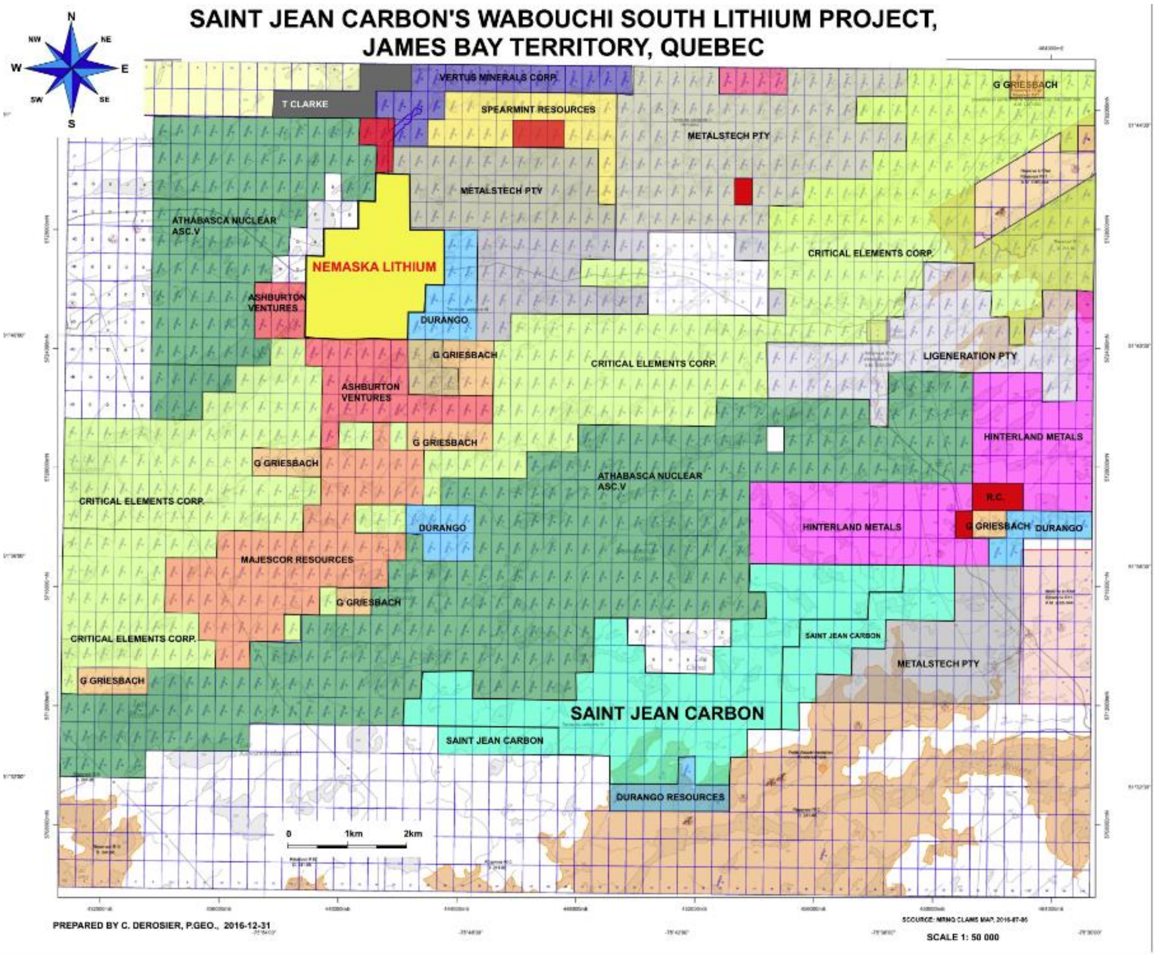
The Clot Property is underlain with highly metamorphosed rocks (granulites and sillimanite- garnet- biotite paragneisses), in a highly deformed area (Labelle Deformation zone). These rocks are in contact with calc-silicate rocks in the northeast portion of the property. Clot Mine, located some 150 m away from the property, is hosted in the same lithology. This graphite deposit was discovered in 1907 and worked intermittently until 1919. Prospecting activity and staking took place in 30's and '40's. Quebec Graphite Corp. acquired the property in 1953. Graphite mineralization consisted of lump graphite in veins and disseminations, in a zone measuring 200 ft. in length and 10 - 15 ft. in width. Spence (GM15290) visited the mineralized occurrence in 1942 and reported that graphitic veinlets (1 to 2 inches thick) that were described as being formed around small brecciated, angular fragments and blocks of marbles, forming a band striking more or less north-south and dipping at 65° W.

On June 1, 2015, the Company published an NI 43-101 technical report on the Clot property.



Miller East

The Miller East property consists of seven mineral claims covering approximately 420.6 hectares located in Quebec adjacent to the east of Canada Carbon Inc.'s (TSX-V: CCB) historic Miller Graphite Project and in the vicinity of Caribou King Resources Ltd (TSX-V:CKR) Miller East.



South Whabouchi

The South Whabouchi lithium property is located in the James Bay region of Quebec, approximately 45 kilometers southeast of the village of Nemaska. The total property with the initial 82 claims and the 27 claims obtained in October, 2016 covers 5,835.6 hectares. This property neighbours to the north are Hinterland Metal Inc. and Durango Resources to the south. The property is located approximately 15 kilometers southeast of Nemaska Lithium Inc.'s Whabouchi hard-rock lithium project.

HISTORIC PROPERTIES

Red Bird Property

The Red Bird molybdenum property consists of three mineral claims situated in the Skeena Mining Division of west central British Columbia 133 kilometers southwest of Burns Lake and 105 kilometers north of Bella Coola. The property covers an area of 444.49 hectares centered on latitude 53°17'44" North and longitude 127°00'34" West in NTS map area 93E/6.

On July 8, 2005 Red Bird Resources Ltd and the Company entered into the Red Bird Option Agreement for the Red Bird Property. The Red Bird Property represents an advanced molybdenum, copper and rhenium porphyry target. As of May 31, 2008 the Company became the legal and beneficial owner of a non-transferable 25% undivided interest in the property.

The Company is considering divesting this property now that its focus is on graphite.

High Rock Property and Climpy Property

The High Rock Property and the Climpy Property are gold prospects in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,550 hectares High Rock consists of 9 mining claims covering 1,307 hectare and the Climpy Property consists of one claim covering 243 hectares St. Jean holds a 100% interest in all claims. There was 895 feet of drilling done in 2004. Assay results range from trace to .154 oz. /t of gold. Further comprehensive development in the form of bulk sampling will be required on both the Juniper Vein as well as the Main Vein to establish the economic viability of the property. There has been no recent exploration conducted. Tenures on the Climpy property are to 2035 while High Rock was extended to 2022.

The Company is considering divesting these properties now that its focus is directed on graphite

Mount Copeland Property

The Mount Copeland Property featured underground production (1970-73) which produced 171,052 tonnes of molybdenum ore and produced 1,193,222 Kg of molybdenum. The calculated head grade for this production was 0.732% Mo. When the Mount Copeland Property was in production in 1970 development work indicated 163,340 tonnes of ore at a grade of 1.83% MoS_2 (or 1.1 % molybdenum). The ore indicated prior to mining has been essentially extracted. The information above is included for comparison purposes only. The information is derived from the December 01, 2008 NI 43-101 Technical Report and the MINFILE Record Summary for MINFILE No. 082M 002 (Mount Copeland), B.C. Ministry of Energy, Mines and Petroleum Resources and the MINFILE Productions Detail Report, B.C. Geological Survey, B.C. Ministry of Energy, Mines and Petroleum Resources, which may be viewed at:

http://minfile.gov.bc.ca/Summary.aspx?minfilno=082M++002
http://minfile.gov.bc.ca/report.aspx?f=PDF&r=Production_Detail.rpt&minfilno=082M++002

In 2008, Mount Copeland had a 10 hole drill program of 2,878 meters were completed. A NI 43-101 Technical Report dated December 1, 2008 was completed and posted on SEDAR on March 16, 2009. This in-depth report was done to provide an evaluation of the existing data on Mount Copeland and determine the potential of the property.

On January 5, 2010, the Company announced results of 31 samples from 7 drill holes from 2008 that were assayed for Rare Earth Elements. A further release dated March 9, 2010 provided mean average values for rare earth elements from the 31 core samples and 53 soil samples. The Mount Copeland option agreement has two claims comprising a total of 730.127 hectares

The Company is considering divesting these properties now that the focus of the company is on graphite.

PROPERTY TRANSACTIONS WITH RELATED PARTIES

Mount Copeland Option Agreement

On February 14, 2008 the Company announced that it had signed the Mount Copeland Option Agreement. The vendors of the Mount Copeland Property are William E. Pfaffenberger, President and a director of St. Jean, J. John Kalmet, Andris Kikauka and Multiplex Enterprises. The vendors are entitled to a net smelter royalty of 2.75% on all minerals mined.

CONTRACTUAL OBLIGATIONS

Certain officers and directors have made unsecured loans to the Company (See "Related Parties").

SELECTED QUARTERLY INFORMATION
(Eight Quarter history)

Item	***Qtr 4/16 Three Months Ended Oct 31, 2016***	***Qtr 3/16 Three Months Ended July 31, 2016***	***Qtr 2/16 Three Months Ended Apr 30, 2016***	***Qtr 1/16 Three Months Ended Jan 31, 2016***
Cash & Cash Equivalents including short term investments	21,499	118,644	163,577	79,986
Mineral Exploration and evaluation assets	3,390,920	2,913,505	2,675,150	2,6785,150
Working Capital	(898,156)	(644,224)	(841,855)	(937,757)
Net Sales	-	-	10,519	11,166
Gain (Loss) before extraordinary items	(55,640)	(194,774)	(257,177)	(153,451)
Gain (Loss) after extraordinary items	(55,640)	(194,744)	(257,177)	(153,451)
Loss per share	.000	.001	.002	.001
Fully diluted loss per share	.000	.001	.002	.001
Total Assets	3,474,730	3,111,735	2,928,396	2,854,765
Total Long Term Financial Liabilities	-	-	-	-

Item	*Qtr 4/15 Three Months Ended Oct 31, 2015*	*Qtr 3/15 Three Months Ended Jul 31, 2015*	*Qtr 2/15 Three Months Ended Apr 30, 2015*	*Qtr 1/15 Three Months Ended Jan 31, 2015*
Cash & Cash Equivalents including short term investments	18,751	9,814	6,296	13,885
Mineral Exploration and evaluation assets	2,675,040	2,564,615	2,549,818	2,527,603
Working Capital	(1,158,415)	(1,482,315)	(1,462,407)	(1,269,439)
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	(155,145)	(183,212)	(172,039)	(86,982)
Gain (Loss) after extraordinary items	(155,145)	(183,212)	(172,039)	(86,982)
Loss per share	.002	.002	.002	.001
Fully diluted loss per share	.002	.002	.002	.001
Total Assets	2,779,034	2,639,813	2,618,552	2,602,505
Total Long Term Financial Liabilities	-	-	-	-

The tables are stated in Canadian dollars. These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

RESULTS OF OPERATIONS

For the year ended October 31, 2016

There was net sales of $21,685 year to date for work performed in the design and development of advanced graphene material.

Total expenses for the twelve month period ended October 31, 2016 were $782,281 compared to $815,181 for the comparable 2015 year a decrease of $32,900. During the prior fiscal year, $142,678 gain on debts settled with equity instruments was applied that had reduced the loss during the year.

The major financial changes resulted from:

- A reduction in loan expense of $49,588 resulting primarily from the continual reduction in related party debts and the notes payable compared to last year. These notes and loans were paid in the first quarter of the subsequent year.
- Investor Relations increased by $74,084 primarily due to contracted Investor Relations service commencing June of 2016.
- Management fees were higher than prior year by $125,372 as all senior management booked fees throughout the year. During the prior year, some of the management group took significantly reduced fees.
- Sales and marketing reduced by $39,345 due to a reallocation of consulting services.
- Stock compensation expense during the year was $45,114 lower than the charges in 2015 as fewer options were issued in the reporting year.

- Property impairment this year at $57,299 was $66,011 lower than the 2015 write down of $123,310

BASIS OF PRESENTATION AND GOING CONCERN

The condensed annual audited financial statements have been prepared in accordance with International Accounting Standards ("IAS") issued by the International Accounting Standards Board. Accordingly, these statements should be read in conjunction with our audited annual financial statements, which were prepared in accordance with IFRS as issued by IASB.

LIQUIDITY AND CAPITAL RESOURCES

At the end of this reporting year, St. Jean had a working capital deficit of $898,156 compared to the working capital deficit on October 31, 2015 of $1,158,415. Cash and cash equivalents were $21,499 compared to $18,751 from last year.

- Between May 2, 2014 and October 31, 2016, director(s) and / or officer(s) of the Company provided unsecured loans. The current indebtedness including interest at a rate of 12% per annum totals $102,049. This compared with $180,322 in the previous year.
- The note payable carries an interest rate of 10% per annum and currently totals $25,607, significantly reduced from the previous year end of $310,377.
- On December 21, 2015, the Company closed a private placement comprising 10,000,000 flow-through units at a price of $0.05 per unit for gross proceeds of $500,000. Each flow-through unit consisted of one common share and one-half common share purchase warrant. Each full warrant entitles the holder to purchase one common share at an exercise price of $0.06 for a period of thirty-six months.
- On April 26, 2016, the Company closed the first tranche of a private placement comprised of 5,750,000 Units at a price of $0.05 per unit for a gross proceeds of $ 287,500. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.06 for a period of thirty-six months.
- On May 4, 2016, the Company did the final close of the private placement comprising of 8,000,000 Flow Through units at a price of $0.05 per unit for gross proceeds of $400,000. Each Flow Through unit consisted of one common share at $0.05 per Flow-Through Share and one-half (0.5) of a common share purchase warrant. Each whole warrant entitles the holder to acquire one (1) additional common share in the capital of the Company at an exercise price of $0.06 per Common Share for a period of 36 months from the date of issuance. There was also 6,075,000 units placed at a price of $0.05 per common Unit for gross proceeds to the Company of $303,750. Each common Unit consisted of one (1) Common Share at a price of $0.05 per unit and (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) Common share at an exercise price of $0.06 per Common share for a period of 36 months from the date of issuance.

- On June 8, 2016, the Company acquired 13 claims on the Bell property for 1,500,000 common shares at a value of $0.05 per share totaling $75,000.
- On August 10, 2016, the Company issued shares to acquire claims as follows; 1,250,000 common shares for Buckingham/Kendall, 2,000,000 common shares for Clot, 2,000,000 common shares for Whabouchi Lithium, and 750,000 common shares for Walker with a value of $0.035 per share.
- On October 28, 2016, the Company acquired 27 claim is Whabouchi Lithium property for 1,000,000 common shares at a value of $0.04 per share.

Saint Jean Carbon currently does not have credit facilities with financial institutions and does not anticipate that it will generate significant revenue from its activities during the year; therefore it will rely on its ability to obtain equity financing for operations.

Management anticipates that it will be able to raise sufficient capital to further explore and develop its properties and carry out its projects in the future. The Company, however, cannot provide any assurance that equity financing will be available on terms and conditions acceptable to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CURRENT BUSINESS ACTIVITY

One of the major focuses continued to be on the exploration and property development of the Quebec graphite properties including evaluating and adding several graphite and lithium properties in the current fiscal year. The Company currently has a significant portfolio of quality properties.

Management has ramped up their resources and effort in the design and build of green energy storage such as lithium-ion batteries that could be used in electric cars, mass energy storage for home applications and for small batteries and for small batteries for a typical TV remote control we strive to create the best carbon for the anode in such devises. With green energy creation we are working toward building materials that will allow super-efficient transfer of the sun's energy through graphene as the photocell. Green re-creation is the final step in development of materials that can be reused to recreate the original purpose of the materials. All of this is challenging but we feel we put the company at the forefront of the green technology boom and with that create strong shareholder return on investment. Through its working arrangements with universities, research and efforts, the Company has continued to expand its intellectual property.

Some examples of projects that will potentially use our graphite during the year included the announcement that the Company was planning to complete a prototype of its recently developed design for a diamagnetic wire that will conduct energy at room temperature with superconducting level resistance. University test results were released in February, 2016. St. Jean also released the very positive results on the spherical shaped carbon coated graphite for lithium ion battery coin cell test in in April. It also announced in May that the Company is starting to construct the first full mill and finishing line in North America. The design for each can be scaled up easily to produce 6,800 metric tonners per line per year of spherically shaped carbon-coated graphite (for Lithium ion batteries). In September, the Company announced that with the University of Western Ontario, it had created the first graphene that has magnetic field referred to as Magnetoristance. In October, it was announced that the Company had produced two samples of single layer graphene. The Company has also received a number of research grants with the Universities to move projects forward.

In July of this year, the Company was honoured to be invited by the National Research Council (NRC) of Canada to be part of a special interest group that will develop and propose standards for graphene made by exfoliation methods from natural graphite. The goal is to properly characterize graphene and develop standardized methods for use in confidently comparing graphene materials thereby strengthening the graphite industry as a whole.

The Company, extended its property reach by acquiring 109 South Whabouchi lithium claims in the James Bay area of Quebec. This, in addition to the acquisition of several graphite properties added to the already significant portfolio of Quebec graphite properties. The graphite properties acquired during this fiscal year included the Bell hydrothermal lump/vein graphite claims and additional Walker mine properties. We believe that this good value property portfolio has provided the Company with the properties required to complete the portfolio.

The direction and goal of the Company is to be a leading edge company and to align with clean energy creation and energy storage companies around the world

The Company reported in December 2015 that it had signed a commercial contract for the design and development of advanced graphene material, the first sales for the company since inception. We continue to pursue sales and other revenue streams through joint ventures, acquisitions and material trade. We are working with universities in both Canada and the United States with an eye on licensing and developing our own intellectual property. We feel that putting significant efforts to graphene production / development will put the company in a good position to grow and take advantage of what we feel is the next big development in the carbon business. We see the company working as a partner with companies that want to have advanced materials as a part of their product, but we do not see ourselves as the manufacturer of the application, rather the supplier of the high grade material to a specific specification.

RISK AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible.

One of the principal activities of the Company is mineral exploration which is inherently risky. Exploration is also capital intensive and the Company currently has no significant source of income. However, the Company has placed increasing emphasis and resources on green energy storage and this will mitigate some of the risk. Only the skills of its management in the mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

SHARES ISSUED AND OUTSTANDING

ISSUED SHARE CAPITAL:

Statement of Changes in Shareholders' Equity

Common Shares	**2016** Number of shares	Share Capital	**2015** Number of shares	Share Capital
Beginning balance	113,073,160	$14,382,294	91,700,960	$13,618,295
Private Placement	29,825,000	1,491,250	-	-
Share issuance costs	-	(177,133)	-	(1,933)
Property Acquisition	8,500,000	325,000	6,500,000	165,000
Warrant Redemption	800,000	40,000	504,000	25,200
Debts settled in shares	-	-	14,368,200	575,732
Flow through premium	-	(140,000)	-	-
Balance as at October 31	**152,198,160**	**$15,921,411**	**113,073,160**	**$14,382,294**

OPTIONS

	Number of options	**Weighted Average Exercise Price**
Balance, October 31, 2015	7,765,689	$0.06
Granted	1,650,000	0.05
Expired	(400,000)	0.20
Exercised	-	-
Balance October 31, 2016	**9,015,689**	**$0.06**

Options Granted

A summary of options granted as at October 31, 2016 is as follows:

Number of Shares Under Option	Exercise Price	Expiry Date
985,000	$0.10	February 7, 2017
6,380,689	$0.05	June 16, 2020
1,650,000	$0.05	April 5, 2021
9,015,689		

FINDER'S OPTIONS

On April 26, 2016, 360,000 Finder's options were granted at a price of $0.05 per Unit for a period of three years. Each Unit comprises one common share and one warrant priced at $0.06.

On May 4, 2016, 720,000 Finder's options were granted at a price of $0.05 per Unit for a period of three years. Each Unit comprises one common share and one warrant priced at $0.06.

WARRANTS:

A summary of outstanding warrants as at October 31, 2016 is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, October 31, 2014	29,577,142	$0.07
Granted	-	-
Expired	(21,957,142)	$0.09
Exercised	(504,000)	$0.05
Balance, October 31, 2015	7,116,000	$0.05
Granted	20,825,000	$0.06
Expired	(120,000)	$0.10
Exercised	(800,000)	$0.05
Balance October 31, 2016	**27,021,000**	**$0.05**

A summary of warrants granted as at October 31, 2016 is as follows:

Number of Warrants	Exercise Price	Expiry Date
4,696,000	$0.05	December 30, 2016
1,500,000	$0.05	January 3, 2017
5,000,000	$0.06	December 21, 2018
5,750,000	$0.06	April 26, 2019
10,075,000	$0.06	May 04, 2019
27,021,000		

RELATED PARTY TRANSACTIONS

During the reporting year, the Company incurred charges from directors and officers. The total related party transactions for the financial year is summarized as follows:

	Year ended October 31,	
Key Management Compensation	**2016**	**2015**
Retainers, wages and benefits	$526,000	$205,628
Share based payments	60,750	80,414
Expense reimbursement	12,955	8,533
Total	**$599,705**	**$294,575**

	Year ended October 31,	
Services & reimbursement of expenses	**2016**	**2015**
Company controlled by the CEO	$ 370,000	$ 67,300
Company controlled by the CFO	120,000	102,500
Share based payments	60,750	80,414
Salaries and benefits (President)	36,000	35,248
Reimbursement of expenses	12,955	8,533

These transactions occurred during the normal course of operations.

RELATED PARTY LOANS

On January 28, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of $10,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $12,156.

On January 28, 2015, an Officer of the Company provided an unsecured loan to the Company in the amount of $10,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $9,061.

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On March 10, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of $5,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $6,033.

On March 16, 2015, an Officer of the Company provided an unsecured loan to the Company in the amount of $5,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $5,980.

On April 28, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $8,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $1,343.

On May 11, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of $5,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $5,917.

On May 28, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $10,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $11,771.

On June 25, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $10,500, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $12,255.

On July 27, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $8,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $9,243.

On August 25, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $4,500, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $5,149.

On August 25, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of $4,500, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $5,151.

On September 30, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $8,000, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $9,051.

On October 16, 2015, an Officer of the Company provided an unsecured loan to the Company in the amount of $3,500, with an interest rate of 12%. As at October 31, 2016, the loan with accrued interest had a balance outstanding of $3,938.

On October 14, 2016, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of $5,000 without interest. As at October 31, 2016, the loan had a balance of $5,000.

All of these loans were paid in the first quarter of 2017.

SUBSEQUENT EVENTS

On November 9, 2016, the Company granted an aggregate of 4,985,000 stock options to purchase common shares pursuant to its stock option plan to a total of two officers, three directors and two consultants effective November 8, 2016. All of the stock options vest immediately and were granted at an exercise price of $0.05 per common share for a five year period.

On November 10, 2016, the Company announced their new Chief Technology Officer, Dr. Zhongwei Chen PhD, MSChE, BS, Canadian Research Chair and Professor in Advanced Materials at University of Waterloo.

On November 21, 2016, the Company stated that it placed an aggregate of 4,980,000 common shares in the capital of the Company issued on a “flow-through” basis at a price of $0.05 per Flow-Through share.

On November 24, 2016, announced that St. Jean and their battery manufacturing partner will build a high powered full scale lithium-ion battery with recycled/upcycling material from an electric car power pack and the upcycled anode material from St. Jean.

On December 12, 2016, the Company has placed an additional 21,492,700 common shares issued on a ‘flow-through” basis at a price of $0.05 per Flow-Through Shares for gross proceeds of $1,074,635.

The Company also placed an aggregate of 12,890,000 units of the Company at a price of $0.05 per Unit providing gross proceeds of $644,500. Each Unit consists of one Common Share at a price of $0.05 per common share and on common share purchase warrant which entitles the holder to acquire one additional Common Share at an exercise price of $0.055 per common share for a period of 48 months.

On December 15, 2016, the Company and Western announced it has received a second grant towards the development of graphene-based systems with special magnetic properties.

On December 20, 2016, the Company announced that through the collaborative research with the team from Western, has created glowing carbon dots.

On December 20, 2016, the Company announced it had issued 1,200,000 options to two consultants at a price of $0.05 exercisable for a three year term.

On January 10, 2017, the Company announced that all of the warrants that were to expire on December 30, 2016 and January 3, 2017 have been exercised.

On January 12, 2017, the Company announced its plan to start a significant drill program on its Buckingham mining properties.

On January 19, 2017, the Company announced it has started the design and build of a graphene based lithium-ion battery; based on the Company’s graphene production capabilities the material being produced is 99.999999%gC and a single layer of graphite measuring one atom in thickness will be used to create the anode.

APPROVAL

The Audit Committee of the Board of Directors appointed by the Board and consisting of three directors, two being independent has reviewed this document pursuant to its mandate and charter. The Board of Directors of Saint Jean Carbon Inc. has approved the disclosure contained in the MD&A.

This MD&A is available on the Company’s SEDAR site accessed through www.sedar.com

FORWARD LOOKING STATEMENTS

The MD&A contains certain forward looking statements, except for historical information. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements expressed or implied by these forward looking statements to vary.

Actual results could differ materially from those currently anticipated due to any number of factors, including such variables as new information regarding potential mineral reserves, changes in demand for and commodity prices of graphite, molybdenum or any other commodity, legislative, environmental and other regulatory approval or political changes.

OTHER REQUIREMENTS

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website www.saintjeancarbon.com.