

GRAPHITE ONE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2026

As of May 21, 2026

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Graphite One Inc.
Management's Discussion and Analysis
For the three months ended March 31, 2026

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 unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026, and the related notes thereto ("**Financial Statements**") and the Company's most recently filed annual information form ("**AIF**") for the year ended December 31, 2025. 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**"), including IAS 34 Interim Financial Reporting. For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca.

This MD&A is prepared by management and approved by the Board of Directors as of May 21, 2026. The information and discussion provided in this MD&A is for the three months ended March 31, 2026, 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 environmental, social and governance ("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.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

Nature of Operations

The Company is focused on developing its Graphite One Project (the "**Project**"), aimed at establishing a vertically integrated North American supply chain for both artificial graphite ("**AG**") and natural graphite ("**NG**") active anode materials ("**AAM**") integrated with a graphite resource. The Project is envisioned to integrate the mining and processing of NG with the manufacturing of 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 is expected to supply a planned NG secondary treatment plant ("**STP**"), where AAM and other value-added graphite products would be manufactured. In parallel with advancement and permitting of the Graphite Creek Project, the Company is pursuing development of a phased AG AAM manufacturing facility, initially through a finishing and blending facility using third-party precursor and graphitized materials, followed by expansion into graphitization and precursor production capabilities.

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 on April 23, 2025.

2026 Highlights

New Site Identified for AG AAM Facility

On May 19, 2026, the Company entered into a license of occupation agreement with Bessemer and Lake Erie Railroad Company, a subsidiary of Canadian National Railway (“CN”), for a site located in Conneaut, Ashtabula County, Ohio. The agreement provides the Company with access to the site for the purpose of conducting due diligence activities and assessing site feasibility for the Company’s proposed AAM facility. Subject to satisfactory completion of the Company’s due diligence activities, the parties may proceed with formalizing a lease agreement for the site.

The site provides several strategic advantages, including direct access to Lake Erie and the Great Lakes shipping corridor, multi-line rail connectivity through CN, existing power infrastructure, including an on-site substation, and capacity for future expansion and scaling.

Given this new opportunity and the challenges associated with establishing the necessary power infrastructure at the Warren, Ohio site within the Company’s proposed construction timeline, the Company terminated the current lease on the Warren property to focus its efforts on the Conneaut location.

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 (\$25,642,000) (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 CA\$2.25 per share expiring on February 18, 2029. The Company paid the Agents a cash fee totaling CA\$2,010,210 (\$1,472,602) and incurred CA\$586,435 (\$428,932) 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.

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 wetlands mapping. These activities will take place in July 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.

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Graphite Creek Expenditures

The following table summarizes the feasibility study, permitting and other project related expenditures for the three months ended March 31, 2026:

Site Preparation and Camp Operations	\$	50,840
Project Management and Administration		734,402
Environmental & Permitting		499,578
Engineering		151,103
Capitalized Depreciation		91,251
Exploration, Sampling and Analysis		2,158
Capitalized Share-Based Payments		97,847
Community Consultation and Meetings		92,911
Land management and advanced royalties		23,389
Total Graphite Creek Expenditures	\$	1,743,479

AAM Plant Development Update

The AAM plant development represents the second stage of the Company’s integrated supply chain solution where AG 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 provides advisory services in connection with the design, construction, commissioning, and operations of an AG AAM plant for agreed upon fees, including additional payments upon achieving certain milestones. AG AAM manufacturing consists of precursor preparation, graphitization, and final finishing and blending. Subject to securing project financing, the Company’s initial development phase is focused on the construction of a 10,000 tpy finishing and blending plant to produce artificial graphite anode materials from purchased graphitized precursor materials.

The planned facility in Ohio is designed to support the final finishing and blending stage, where, initially, purchased graphitized AG materials are processed into finished AAM products tailored to customer specifications. Engineering design and equipment specification activities are ongoing, with initial equipment quotations received. The Company has engaged TRC Environmental Corporation to support permitting and site development activities and has confirmed with FirstEnergy of Ohio that the new site in Conneaut has the power supply requirements for the 10,000 finishing and blending plant.

The Company incurred development expenses associated with the planned manufacturing plant as follows:

Project Development	Three months ended	
	March 31,	
	2026	2025
Engineering	\$ 93,504	\$ -
Permitting	1,530	-
Personnel and administrative costs	278,349	4,594
Lease expense	135,631	11,149
Amortization	26,250	16,667
	\$ 535,264	\$ 32,410

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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 as at and for the three months ended March 31, 2026, and as of December 31, 2025.

As at	March 31, 2026	December 31, 2025
Current assets (\$)	\$ 29,503,931	\$ 8,930,205
Exploration and evaluation property (\$)	69,427,136	67,683,657
Total assets (\$)	100,665,101	78,452,108
Current liabilities (\$)	982,018	3,663,917

Three months ended	March 31, 2026	March 31, 2025
Net loss (\$)	\$ 3,032,248	\$ 1,563,298
Basic and diluted loss per share (\$)	0.02	0.01
Weight average number of common shares outstanding	193,778,081	145,743,778
Exploration and evaluation cash expenditures (\$), excluding grants	2,589,528	2,938,744

Results of Operations

The net loss for the three months ended March 31, 2026 was \$3,032,248 an increase of \$1,468,950 compared to a \$1,563,298 net loss for the same period in 2025. The increased net loss was due primarily to: (i) a \$972,200 increase in online marketing campaigns as part of the Company's strategy to raise the profile of the Company and its projects to European and U.S. investors (ii) a \$502,854 increase in project development expenses for the planned artificial graphite plant and (iii) a \$319,320 increase in management salaries and fees. These were partially offset by a \$352,761 foreign exchange gain primarily due to the period-end re-valuation of U.S. dollar cash balances held by the CA\$-functional parent.

Operating Expenses

	Three months ended		Increase (decrease)
	March 31, 2026	2025	
Project development, net of grant	\$ 535,264	\$ 32,410	\$ 502,854
General and administration			
Management fees, salaries and benefits	746,857	427,537	319,320
Marketing and investor relations	1,109,147	136,539	972,608
Consulting and advisory fees	270,520	112,951	157,569
Office and administration	144,450	74,856	69,594
Professional fees	59,234	54,621	4,613
Share-based payments	623,969	771,276	(147,307)
Total general and administration	2,954,177	1,577,780	1,376,397
Total operating expense	\$ 3,489,441	\$ 1,610,190	\$ 1,879,251

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Project Development, net of grant

Project development costs, net of grant reimbursements, for the three months ended March 31, 2026 increased \$502,854 to \$535,264 compared to \$32,410 for the same period in 2025. The increase was attributable to engineering and consulting fees associated with the design, layout, and equipment specifications for the graphitization and finishing and blending plants \$93,504, a one-time \$60,000 recruiting fee for the recently hired project manager, in addition to payments on the Ohio lease, project related personnel costs, and the amortization of milestone payments to Chenyu pursuant to the Chenyu Agreements.

Management fees, salaries, and benefits

Management fees, salaries, and benefits for the three months ended March 31, 2026 increased \$319,320 to \$746,857 compared to \$427,537 for the same period in 2025. The increase included a \$82,426 true-up of 2025 short-term incentive awards over prior estimate while the 2025 comparative figure was net of \$194,514 of management fees, salaries and benefits that were transferred to the government grant supported feasibility study and fire foam suppressant projects, of which a majority was reimbursed through these government grants.

Marketing and investor relations

Marketing and investor relations for the three months ended March 31, 2026 increased \$972,608 to \$1,109,147 compared to \$136,539 for the same period in 2025. The increase was primarily due to the Company spending \$807,518 to expand its European digital marketing campaign aimed at raising the profile of the Company and its projects to European investors and \$150,288 on a new marketing campaign aimed at the U.S. investor market.

Consulting and advisory fees

Consulting and advisory fees for the three months ended March 31, 2026 increased \$157,945 to \$270,520 compared to \$112,951 in 2025. The increase was primarily due to \$66,923 in fees related to offtake agreement advisory services, grant consultation and executive compensation consulting while the prior year comparative figure was net of \$90,000 of reimbursable fees allocated to the government supported feasibility study of which 75% were reimbursed under the \$37.3 million Department of Defense funded feasibility study.

Office and administration

Office and administration for the three months ended March 31, 2026 increased \$69,594 to \$144,450 compared to \$74,856 for the same period in 2025. The increase is primarily due to higher filing and compliance fees \$34,658.

Professional Fees

Professional fees for the three months ended March 31, 2026 were relatively flat compared to the same period in 2025.

Share-based payments

Share-based payments for the three months ended March 31, 2026 decreased \$147,307 to \$623,969 compared to \$771,276 for the same period in 2025. The decrease was primarily due to the deferral of the 2026 long-term incentive awards to directors, employees and consultants to a subsequent quarter.

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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	Mar 31 2026	Dec 31 2025	Sept 30 2025	Jun 30 2025
Net loss (\$)	3,032,248	3,379,099	2,318,411	1,882,003
Basic and diluted loss per share (\$)	0.02	0.02	0.02	0.01

Quarter ended	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024
Net loss (\$)	1,563,298	2,450,269	1,490,976	1,659,831
Basic and diluted loss per share (\$)	0.01	0.02	0.01	0.01

The net loss for the first quarter of 2026 increased \$1,468,950 to \$3,032,248 compared to a \$1,563,298 net loss for the first quarter of 2025. The increase in net loss was primarily due to the expanded digital marketing campaign aimed at raising the profile of the Company and its projects to European investors \$972,608, and increased project development spend \$502,854, reflecting the increased activity related to the development of the Company's AAM facility in Ohio, including higher consulting, lease, and personnel costs as the project advances.

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.

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 March 31, 2026.

As of March 31, 2026, the Company had a cash balance of \$18,563,449 (December 31, 2025: \$8,367,893) and working capital of \$28,521,913 (December 31, 2025: \$5,266,288). The increase in cash and cash equivalents was due to the February 18, 2026 closing of a marketed public offering of 20,002,000 units for aggregate gross proceeds of CA\$35,003,500 (\$25,642,000) and from the exercise of 8,128,747 common share purchase warrants for proceeds of CA\$8,550,699 (\$6,178,768).

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 period ended March 31, 2026 increased \$5,720,705 to \$6,671,015 compared to \$950,310 in 2025. The increase was due to \$1,417,280 of higher withholding tax payments on vested share units, \$1,916,450 settlement of prior year short-term incentive awards, \$388,696 increase in prepaid marketing and other expenses, and higher corporate expenses primarily on: (i) a \$972,608 increased spend on marketing expenses as described above (ii) \$502,854 of project development expenses for the planned artificial graphite plant project, in

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particular, lease payments, consultants, and project salary costs, and (iii) \$194,514 of personnel costs that were allocated to projects supported by government grants as described above.

On May 19, 2026, the board of directors of the Company had approved the annual grant of 968,016 restricted share units (“RSU”) to the directors and 525,000 stock options (“Options”) to employees and consultants pursuant to the terms of the Company’s Omnibus Plan. Each RSU will convert into one common share of the Company upon vesting. The RSUs vest as follows: 50% vest on May 18, 2027, 25% vest on June 30, 2027, and 25% on September 30, 2027.

The Options have an exercise price of CA\$1.13 per share being the closing price of the Company’s shares on the TSX Venture Exchange on May 15, 2026. The Options vest one-third (1/3) on the first, second, and third anniversary of the grant date and will expire on May 19, 2031.

February 2026 Marketing Public Financing – Planned vs. Actual Use of Proceeds

In February 2026, the Company completed a public financing for gross proceeds of CA\$35.0 million (\$25.6 million), resulting in net proceeds of approximately \$23.7 million after commissions, fees and other offering costs. The financing was intended primarily to support equipment purchases and engineering activities related to the Company’s AG AAM initiatives, as well as general corporate purposes and working capital.

	in Canadian Dollars		US Dollars
February 2026 Financing	Planned Raise	Actual Raise	Actual Raise
Gross proceeds	\$ 30,000,000	\$ 35,003,500	\$ 25,642,206
Less:			
Selling commissions & fees	(1,800,000)	(2,010,210)	(1,472,602)
Other offering costs	(350,000)	(586,435)	(428,932)
Total	\$ 27,850,000	\$ 32,406,855	\$ 23,740,672

Use of Funds	Planned	Revised	Revised
Expenditures related to equipment purchases	\$ 22,700,000	\$ 22,700,000	\$ 16,628,818
Engineering and other related expenditures	3,400,000	3,400,000	2,490,660
General and administrative expenses	1,400,000	1,400,000	1,025,566
Expenses of the Offering	350,000	586,435	428,932
Working capital	-	4,320,420	3,166,696
Total	\$ 27,850,000	\$ 32,406,855	\$ 23,740,672

As at March 31, 2026, the Company had incurred approximately \$3.7 million of expenditures from the net proceeds, consisting primarily of working capital of \$2.8 million, engineering and related expenditures of \$0.2 million, general and administrative expenses of \$0.3 million, and offering expenses of \$0.4 million. The remaining proceeds are expected to be utilized by Q1 2027 in accordance with the intended use of proceeds outlined in the financing.

Actual Use of Funds (US\$)	Planned	Spend to date	Unspent Balance
Expenditures related to equipment purchases	\$ 16,628,818	\$ -	\$ 16,628,818
Engineering and other related expenditures	2,490,660	242,947	2,247,713
General and administrative expenses	1,025,566	257,614	767,952
Expenses of the Offering	428,932	428,932	-
Working capital	3,166,696	2,753,976	412,720
Total	\$ 23,740,672	\$ 3,683,469	\$ 20,057,203

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Going Concern

As at March 31, 2026 the Company had a cash balance of \$18,563,449 (December 31, 2025: \$8,367,893), working capital of \$28,521,913 (December 31, 2025: \$5,266,288), and an accumulated deficit of \$66,903,237 (December 31, 2025: \$63,870,989). The Company has incurred losses since inception and does not generate any cash inflows from operations. For the three months ended March 31, 2026, cash used in operating activities totaled \$6,671,015 (2025: \$950,310) and \$2,589,528 (2025: \$2,938,744) were spent on project related expenditures, excluding grant proceeds.

The Company’s ability to continue to meet its administrative expenses, permit the mine, and advance the design and engineering of the proposed artificial 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 be required to complete additional financings. There can be no assurance that the Company will be successful in securing additional funding 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.

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 approximately 20% of the common shares of Graphite One and is owned by Jerry Birch and Kevin Greenfield.

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Related Party	Nature of Transaction	Three months ended March 31,	
		2026	2025
Huston & Huston Holdings Corp.	Management fees	\$ 140,000	\$ 127,500
Rockford Resources LLC	Director fees	7,500	7,500
SSP Partners LLC	Director fees	7,500	7,500
		\$ 155,000	\$ 142,500

Amounts owing to related parties are non-interest bearing and unsecured and relates to short-term incentive award obligations. As of March 31, 2026, the Company owed \$140,000 (December 31, 2025 - \$1,106,600) to related parties.

As of March 31, 2026, Taiga holds approximately 20% 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 Chief Operating Officer. During the three months ended March 31, 2026 and 2025, the Company charged \$0.2 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:

	Three months ended March 31,	
	2026	2025
Management fees and benefits	\$ 468,956	\$ 291,825
Director fees	30,000	30,000
Salaries and benefits	559,222	377,491
Share-based payments	584,960	695,782
	\$ 1,643,138	\$ 1,395,098

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.

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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 \$18,563,449 in cash and cash equivalents as at March 31, 2026, which earn variable rates of interest. Accordingly, the Company is exposed to interest rate risk; however, given the short-term nature of these holdings, management considers this exposure to be limited, with changes in interest rates primarily impacting interest income.

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 March 31, 2026 the Company has certain monetary items denominated in Canadian dollars. Based on these net exposures, a 10% appreciation or depreciation of the United States Dollar against the Canadian Dollar would result in an increase or decrease in the Company's net loss by \$228,666 (December 31, 2025: \$95,583).

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 dependent on the Company's ability to secure the capital required to advance these initiatives.

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

Alaska Department of Environmental Conservation:

- Section 401 Clean Water Act water quality certification
- Alaska Pollution Discharge Elimination System permit

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- 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 Company plans to commence construction of the NG secondary treatment plant once the Graphite Creek project is permitted and NG offtake agreements are in place. The Company's strategy is to first develop the AG facility while the Graphite Creek mine is being permitted. The AG facility will be built in phases using a phased, downstream-to-upstream approach. Subject to the Company securing project financing, the initial phase involves permitting and constructing a 10,000 tpy finishing and blending plant for processing artificial graphite anode materials. Upon successful commissioning and initial revenue generation, this facility will be expanded to 25,000 tpy, and the Company will begin construction of the graphitization plant. The graphitization plant will initially process purchased precursor materials and the graphitized material is fed through the finishing and blending plant to produce AG anode materials that meet customer specifications. The final phase for the AG facility is to construct a precursor plant, utilizing domestically sourced materials and proprietary precursor formulations. The material produced from the precursor plant is fed through the graphitization plant and the graphitized material is fed through the finishing and blending plant to produce for the AG anode material.

In May 2026, the Company entered into a License of Occupation Agreement with Bessemer and Lake Erie Railroad Company, a subsidiary of Canadian National Railway to secure access to a proposed site in Conneaut, Ohio to conduct due diligence and site feasibility activities related to a proposed AAM facility. The Company believes the site is well-positioned to support the phased development strategy, including access to existing infrastructure and power availability required for the initial phase of the proposed facility.

The Company is actively pursuing government funding opportunities in both the United States and Canada as opportunities arise, to support advancement of its strategy, including development, pilot-scale activities, and future expansion. The Company is evaluating potential financing options, including EXIM-supported financing, as well as additional sources such as joint ventures, equity financing, and debt financing to support the design and construction of the AAM facility.

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 three months ended March 31, 2026. For further details of risk factors, please refer to the AIF filed on SEDAR+ at 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.

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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 NG or AG manufacturing facility does not produce the quantity and/or quality of the graphite products in the time anticipated.

Natural disasters, geopolitical instability or other unforeseen events

In addition to the outbreak of infectious disease or occurrence of pandemics, such as the outbreak of COVID-19, natural disasters, forest fires, terrorism or other unanticipated events, in any of the areas in which the Company operates could cause interruptions in the Company's operations. These and other unforeseen events could negatively affect project development, operations, labour supply and financial markets, all or any of which could have a material adverse effect on the Company's business, financial condition, operational results or cash flows. 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, environmental and permitting 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 and the planned AAM facility 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 environmental and permitting activities, 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 and the planned AAM facility or require the Company to sell one or more of its properties (or an interest therein).

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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.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of May 21, 2026:

Common shares issued and outstanding	208,967,736
Restricted share units	4,398,006
Performance share units	4,873,272
Stock options outstanding (weighted average exercise price CA\$1.09)	10,705,738
Warrants outstanding (weighted average exercise price CA\$1.62)	41,802,404
Broker warrants outstanding (weighted average exercise price CA\$1.00)	121,733
Fully diluted	270,868,889

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 and on the Company's website at www.graphiteoneinc.com.