

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Graphite Energy Corp.** (the "Issuer").

Trading Symbol: **GRE**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

See Note 6 to interim financial statements for six months ended December 31, 2020.

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Oct. 1/21	Common shares	Private placement	597,014	\$0.5025	\$300,000	Cash	arm's length	N/A
Oct. 1/21	Warrants	Private placement	597,014	\$0.75	-	Cash	arm's length	N/A

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
	N/A					
Total:						

3. Summary of securities as at the end of the reporting period. See Schedule A

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Description	Number Authorized	Par Value
Common shares	Unlimited	NPV

- (b) number and recorded value for shares issued and outstanding,

Description	Number Issued & Outstanding	Amount
Common shares	22,413,065	\$4,485,456

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Description	Number Outstanding	Exercise Price	Expiry Date
Stock options	2,100,000	\$0.66	Aug. 21/25
Total Options:	2,100,000		
Warrants	13,000,000	\$0.35	Aug. 18/23
Finder's warrants	930,000	\$0.35	Aug. 18/23
Warrants	597,014	\$0.75	Oct. 2/23
Total Warrants:	14,527,014		
Total Options and Warrants:	16,627,014		

- (a) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Description	Number Held in Escrow	Number Released During the Period
Common shares	109,473	109,473

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Positions Held	Since
Adrian Hobkirk	CEO, President and Director	April 4, 2018
Teresa M. Cherry	CFO and Director Secretary	March 5, 2018 September 30, 2018
Christopher P. Cherry	Director	April 4, 2018
William Feyerabend	Director	November 10, 2020

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 2, 2021.

Teresa M. Cherry
Name of Director or Senior Officer

"Teresa M. Cherry"
Signature

CFO, Secretary and Director
Official Capacity

Issuer Details Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Graphite Energy Corp.	December 31, 2020	2021/03/02
Issuer Address		
Suite 400 – 1681 Chestnut Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6J 4M6	604.737.1140	604.737.2303
Contact Name	Contact Position	Contact Telephone No.
Teresa M. Cherry	CFO, Secretary and Director	As above
Contact Email Address	Web Site Address	
teresa@simcoeservices.ca	Under construction	

SCHEDULE A

Graphite Energy Corp.
Condensed Interim Financial Statements
Six Month Period ended December 31, 2020
(Unaudited)
(Expressed in Canadian Dollars)

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company (as hereinafter defined) discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended December 31, 2020.

Graphite Energy Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars - Unaudited)

		December 31,	June 30,
	Notes	2020	2020
		-\$-	-\$-
ASSETS			
Current assets			
Cash		2,241,946	141,836
Receivables	3	27,894	11,167
Prepaid expenses	3	10,500	10,119
TOTAL ASSETS		2,280,340	163,122
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	4	158,266	132,564
TOTAL LIABILITIES		158,266	132,564
SHAREHOLDERS' EQUITY			
Share capital	5	4,485,456	2,212,415
Reserve	5	1,690,047	-
Deficit		(4,053,429)	(2,181,857)
TOTAL SHAREHOLDERS' EQUITY		2,122,074	30,558
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,280,340	163,122

Nature of operations and going concern (Note 1)

Proposed transactions (Note 8)

Approved and authorized on behalf of the Board on February 24, 2021:

"Teresa Cherry" Director "Adrian F.C. Hobkirk" Director

The accompanying notes are an integral part of these condensed interim financial statements

Graphite Energy Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

	Notes	Three months ended		Six months ended	
		December 31,	December 31,	December 31,	December 31,
		2020	2019	2020	2019
		- \$ -	- \$ -	- \$ -	- \$ -
EXPENSES					
Business advisory		64,910	-	100,219	-
Consulting, management and directors fees	6	171,758	45,000	271,933	120,000
Office and administration		3,130	245	4,654	4,910
Professional fees		28,415	3,125	67,176	8,375
Project investigation		62,782	-	221,632	-
Regulatory and filing fees		7,348	8,820	8,901	13,513
Stock-based compensation	5, 6	-	-	1,163,137	-
Transfer agent and filing fees		13,177	1,401	17,568	10,581
Travel and related		855	-	855	-
Website		-	-	15,497	-
Total expenses		(352,375)	(58,591)	(1,871,572)	(157,379)
Net loss and comprehensive loss		(352,375)	(58,591)	(1,871,572)	(157,379)
Basic and diluted loss per share		(0.02)	(0.02)	(0.10)	(0.06)
Weighted average shares outstanding		22,406,576	2,816,051	18,720,009	2,816,051

The accompanying notes are an integral part of these condensed interim financial statements

Graphite Energy Corp.

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars - Unaudited)

	Note	Share capital		Reserve - \$ -	Deficit - \$ -	Total - \$ -
		Number of shares	Amount - \$ -			
Balance at June 30, 2019		2,816,051	1,617,389	-	(1,920,855)	(303,466)
Net and comprehensive loss for the period		-	-	-	(157,379)	(157,379)
Balance at December 31, 2019		2,816,051	1,617,389	-	(2,078,234)	(460,845)
Balance at June 30, 2020		8,816,051	2,212,415	-	(2,181,857)	30,558
Shares issued for private placement (net)	5	13,597,014	2,799,951	-	-	2,799,951
Share issue costs – finders warrants	5	-	(526,910)	526,910	-	-
Stock based compensation - options	5	-	-	1,163,137	-	1,163,137
Net and comprehensive loss for the period		-	-	-	(1,871,572)	(1,871,572)
Balance at December 31, 2020		22,413,065	4,485,456	1,690,047	(4,053,429)	2,122,074

The accompanying notes are an integral part of these condensed interim financial statements

Graphite Energy Corp.

Condensed Interim Statement of Cash Flows

(Expressed in Canadian dollars - Unaudited)

	December 31, 2020 \$	December 31, 2019 \$
Operating activities		
Loss for the period	(1,871,572)	(157,379)
Items not affecting cash:		
Share-based payment	1,163,137	-
Net change in non-cash working capital items:		
Receivables	(16,727)	12,198
Prepaid expenses	(381)	-
Accounts payable and accrued liabilities	25,702	144,760
Net cash flows used in operating activities	(699,841)	(421)
Financing activities		
Shares issued net of share issuance cost	2,799,951	-
Net cash flows provided by financing activities	2,799,951	-
Change in cash during period	2,100,110	(421)
Cash, beginning	141,836	1,764
Cash, ending	2,241,946	1,343

During the period ended December 31, 2020 in connection to a private placement, the Company issued 930,000 finders warrants, valued at \$526,910.

During the period ended December 31, 2019, the Company had no non-cash transactions.

The accompanying notes are an integral part of these financial statements

Graphite Energy Corp.**Notes to the Condensed Interim Financial Statements**

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

1. Nature of operations and going concern

Graphite Energy Corp. (the "Company") was incorporated on October 14, 2016 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are listed on the Canadian Security Exchange ("CSE").

The head office and principal address and registered records office of the Company is located at 789 West Pender Street, Suite 1510, Vancouver, British Columbia, Canada, V6C 1H2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At December 31, 2020, the Company had not achieved profitable operations, had an accumulated deficit of \$4,053,429, had not advanced its mineral property to commercial production and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020/2021.

2. Statement of compliance with International Financial Reporting Standards and basis of preparation

These financial statements were authorized for issue on February 24, 2021, by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended June 30, 2020.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)***Basis of preparation***

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted. Certain comparative figures may have been reclassified to conform to the current year's presentation.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based payments and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Going concern

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as, expectations of future events that are believed to be reasonable under the circumstances.

ii) Impairment of assets

Economic recoverability and probability of future benefits of exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

iii) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures capitalized requires judgment in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Company considers the degree to which the expenditure can be associated with finding specific mineral resources.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)***Significant accounting judgments, estimates and assumptions (cont'd)*****iv) Deferred taxes**

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized.

v) Share-Based Compensation

The Company uses the fair value method of valuing compensation expense associated with the Company's share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the period end exchange rate. Non-monetary assets and liabilities measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)***Exploration and evaluation assets (cont'd)***

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Trade payables	Amortized cost

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)***Financial instruments (cont'd)*****(ii) Measurement****Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition**Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)

Financial instruments (cont'd)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash

Cash includes cash on hand and deposits held at call with banks.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)***Income taxes******Deferred income tax:***

Deferred tax is accounted for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of the assets or liabilities that affect neither accounting nor taxable profit nor investments in subsidiaries, associates and interests in joint ventures to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner and expected date of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilized.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period.

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of exploration and evaluation assets. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have any restoration provisions at December 31, 2020 and June 30, 2020.

Leases

In January 2016, the IASB issued IFRS 16, Leases which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company currently has no leases.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

2. Statement of compliance with International Financial Reporting Standards and basis of preparation (cont'd)***Changes in accounting standards***

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements other than note disclosure. The Company has not early adopted these revised standards.

3. Receivables

The balance in receivables at December 31, 2020 of \$27,894 (June 30, 2020 - \$11,167) consists of government tax credits receivable.

4. Trade payables and accrued liabilities

	December 31, 2020	June 30, 2020
	-\$-	-\$-
Trade payables	150,476	100,429
Amounts due to related parties (Note 6)	1,440	22,660
Accrued liabilities	6,350	9,475
Total	158,266	132,564

5. Share capital and reserves***Authorized share capital***

An unlimited number of common shares without par value.

Issued share capital

As at the period ended December 31, 2020, there are 22,413,065 (June 30, 2020 – 8,816,051) issued and fully paid common shares.

On August 17, 2020, the Company closed a private place financing issuing 13,000,000 units at a price of \$0.20 per unit for gross proceeds of \$2,600,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of \$0.35 per share for a period of three years from the date of closing of the private placement. The warrants are subject to an acceleration provision, whereby if the Company's shares close at or above \$0.40 per Share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire.

In connection to this private placement, the Company paid finder's fees totaling \$82,000 and issued 930,000 finder's warrants (valued at \$526,910). In addition, the Company incurred other issuance expenses of \$18,049. The Finder's warrants are non-transferable and exercisable on the same terms as the warrants issued in the private placement.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

5. Share capital and reserves (cont'd)

On October 1, 2020 the Company closed a non-brokered private placement issuing 597,014 units (the "Units"), at a price of \$0.5025 per Unit for gross proceeds of \$300,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of \$0.75 per share for a period of three years from the date of closing of the private placement.

Warrants

The following table summarizes information about the warrant transactions during the period ended December 31, 2020 and year ended June 30, 2020:

	Number of warrants	Weighted average exercise price - \$ -
Outstanding, June 30, 2019 and 2020	-	-
Issued	14,527,014	0.37
Outstanding, December 31, 2020	14,527,014	-

Expiry Date	Exercise Price	Number of Warrants
August 18, 2023*	0.35	13,930,000
October 2, 2023	0.75	597,014

**The warrants are subject to an acceleration provision, whereby if the Company's Shares close at or above \$0.40 per Share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire.*

Stock options

The Board has approved a Stock Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire shares as long-term investments. The Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of shares as of the date of the grant. The maximum term of the options is ten years.

During the period ended December 31, 2020, the Company granted incentive stock options to purchase a total of 2,100,000 common shares at an exercise price of \$0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan. The fair value of the options granted during the period is \$1,163,137, based on the Black-Scholes option pricing model, using a risk-free interest rate of 0.36%, expected life of 5 years, volatility of 125%, and 0% dividend and forfeiture rates.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

5. Share capital and reserves (cont'd)

The following table summarizes information about the stock options during the period ended December 31, 2020 and year ended June 30, 2020:

	Options	
	Number of options	Weighted average exercise price - \$ -
Outstanding, June 30, 2019 and 2020	-	-
Issued	2,100,000	0.66
Outstanding, December 31, 2020	2,100,000	-

Expiry Date	Exercise Price	Number of Options
August 21, 2025	0.66	2,100,000

As at December 31, 2020, the options had a weighted average life of 4.64 years.

Reserve

The share-based payment and warrant reserves records items recognized as share-based compensation expense until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

During the period ended December 31, 2020, the Company recorded \$1,163,137 to reserves in connection to stock options issued and \$526,910 in connection to finder warrants in connection to the private placement financing during the period.

6. Related party transactions**Balances**

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	December 31, 2020 - \$ -	June 30, 2020 - \$ -
Companies controlled by directors and/or an officer of the Company	1,440	21,894
Director and/or officer of the Company	-	766
	1,440	22,660

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

6. Related party transactions (cont'd)***Transactions***

During the period ended December 31, 2020, the Company incurred management fees of \$105,543 (2019 - \$45,000) to the CEO of the Company, director fees of \$80,000 (2019 - \$45,000) to a company controlled by a director of the Company, consulting and geological fees of \$8,231 to a company controlled by a director of the Company and consulting fees of \$80,000 (2019 - \$30,000) with a company controlled by the CFO of the Company. The Company also incurred \$553,875 in share-based payments to directors and officers of the Company during the six months ended December 31, 2020.

7. Financial risk and capital management

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

Credit risk

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

Liquidity risk

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

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

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31 2020, the Company has financial assets denominated in the US Dollar, which will be affected by changes in the exchange rate between the Canadian Dollar and the US Dollar.

If the Canadian dollar changes by one percent against the US Dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a nominal change in profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

7. Financial risk and capital management (cont'd)

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements and there were no changes to the Company's capital management for the period ended December 31, 2020.

Fair value

The Company's financial instruments consist of cash, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Cash is measured at fair value using Level 1 inputs.

8. Proposed transactions

Pilbara Gold Group Pty Ltd. ("Pilbara")

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

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

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

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

Graphite Energy Corp.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars - Unaudited)

For the six months ended December 31, 2020

8. Proposed transactions (cont'd)*Swan Gold Ltd. ("Swan")*

On August 7, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Swan, a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan, the Company will issue a total of 7,500,000 common shares to the shareholders of Swan (the "Consideration Shares").

The Consideration Shares will be subject to the following restrictions on resale:

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

The Company will pay a finder's fee equal to 750,000 shares to a non-related third party in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, and subject to the terms of closing in the agreement and regulatory approval.

SCHEDULE C

Graphite Energy Corp.

Management Discussion and Analysis

For the six months ended
December 31, 2020

INTRODUCTORY COMMENT

Graphite Energy Corp. (the “Company”) was incorporated on October 14, 2016 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

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

This Management Discussion and Analysis (“MD&A”) is dated February 24, 2021 and discloses specified information up to that date. This MD&A should be read in conjunction with the Company’s financial statements for the period ended December 31, 2020, and the audited financial statements for the year ended June 30, 2020, which are prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended June 30, 2020. A number of other new standards are also effective from July 1, 2020 but they also did not have a material impact on the Corporation’s financial statements (Note 2 to the Financial Statements).

Throughout this report we refer from time to time to “Graphite Energy”, “the Company”, “we”, “us”, “our” or “its”. All these terms are used in respect of Graphite Energy Corp. which is the reporting issuer in this document. ***We recommend that readers consult the “Cautionary Statement” on the last page of this report.***

CORPORATE HIGHLIGHTS

During the period ended December 31, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Swan Gold Ltd. (“Swan Gold”), a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called “York NE”, “Warrawoona E” and “Beatons SE” in the Pilbara region, Western Australia.

In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the “Consideration Shares”). The Consideration Shares will be subject to the following restrictions on resale:

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

The Company will pay a finder’s fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, and subject to the terms of closing in the agreement and regulatory approval. The Company anticipates the timing of closing, if it occurs at all, will be subsequent to the Company’s reactivation on the Exchange.

During the period ended December 31, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of \$0.20 per unit for gross proceeds of \$2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of \$0.35 per share for a period of three years from the date of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company’s shares close at or above \$0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. In connection to this private placement, the Company paid finder’s fees totaling \$82,000 and issued 930,000 finder’s warrants (valued at \$526,910). In addition, the Company

incurred other issuance expenses of \$18,049. The Finder's warrants are non-transferable and exercisable on the same terms as the warrants issued in the private placement.

During the period ended December 31, 2020, the Company completed a non-brokered private placement issuing 597,014 units (the "Units"), at a price of \$0.5025 per Unit for gross proceeds of \$300,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of \$0.75 per share for a period of three years from the date of closing of the private placement.

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

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

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

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

The acquisition is subject to the completion of due diligence, including completion of the Pilbara Gold Technical Report and receiving applicable regulatory approvals. The transaction will close concurrent with the reactivation of its listing on the Canadian Securities Exchange ("the Exchange") and on receipt of regulatory approval. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a nonrelated third party.

Pilbara – Australia

The Pilbara is a large, thinly populated area in the north of Western Australia that has a population of about 65,000 (Australian Bureau of Statistics) and includes some of Earth's oldest rock formations. It's well known for its oil, natural gas and iron ore deposits which contribute significantly to Australia's economy.

The region covers an area of 507,896km² (193,826mi²) (including offshore islands), roughly the combined land area of the US States of California and Indiana.

Major gold companies active in the Pilbara include Novo Resources Corp, International Prospect Ventures, Artemis Resources, Pacton Gold, De Grey Mining Limited, Millennium Minerals Limited, Calidus Resources Limited and Kairos Minerals.

The most significant, recent gold discoveries in the Pilbara are of the conglomerate hosted gold deposit style which has been compared in part to the Witwatersrand Conglomerate Gold Deposit of South Africa. The Pilbara Gold tenements are strategically located in the area of known mineral discoveries.

In connection to an acquisition agreement with Pilbara, the Company will acquire 100% of Pilbara's tenement holdings upon closing.

Pilbara holds five distinct project tenements in the following areas:

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

During the period ended December 31, 2020, the Company entered into an acquisition agreement with Swan Gold Ltd., which will significantly expand the total Company tenement holdings in Pilbara, Western Australia. Swan Gold holds gold focused tenement projects called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. The agreement is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, subject to the terms of closing of the agreement and regulatory approval. The Company anticipates the timing of closing, if it occurs at all, will be subsequent to the Company's reactivation on the Exchange.

During the period ended December 31, 2020, the Company retained independent firm Xplore Resources Pty Ltd. of Brisbane, Australia, to conduct a project review, desktop study, historical geological review and site visit with the intention of completing a National Policy 43-101 Technical Report on the Pilbara Gold tenements.

A site visit by geological staff was conducted to each tenement area, to confirm access roads and geological formations and features present. As a result, a technical report titled NI 43-101 Technical Report Pilbara Gold Projects, Western Australia was prepared by Xplore Resources Pty Ltd., of Brisbane, Queensland, Australia and was authorized by Matthew Stephens, Senior Consultant Geologist, who is a Qualified Person under NI 43-101, and Bryan Bourke, a Resource Consultant Geologist. The report recommends further evaluation of the Pilbara Gold tenement package.

In period ended December 31, 2020, the Company retained geological staff based in Perth, Australia, to conduct a more detailed site visit. The five-day site visit was completed during the first week of December. The evaluation confirmed the outcrop of the Beaton's Creek Conglomerate within the project area. A significant area of outcrop was mapped and photographed. Due to the cemented nature of the outcropping zone, it was decided that mechanical sampling was warranted. In addition, The Company has engaged Perry Remote Sensing LLC of Denver, Colorado, to complete a LANDSAT and ASTER program. The satellite imaging results will be utilized to better guide ground personnel to identify targets.

The Company has applied for the necessary permits to allow heavy equipment to be used for the sampling program.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2020, the Company had current assets of \$2,280,340 (June 30, 2020 - \$163,122) and current liabilities of \$158,266 (June 30, 2020 - \$132,564). Working capital at December 31, 2020 is \$2,122,074 compared to \$30,558 at June 30, 2020.

Shareholders equity at December 31, 2020 was \$2,122,074 compared to \$30,558 at June 30, 2020.

During the period ended December 31, 2020, the Company completed a non-brokered private placement financing of 13,000,000 units at a price of \$0.20 per unit for gross proceeds of \$2,600,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each Warrant allows the holder to purchase one additional common share of the Company at a price of \$0.35 per share for a period of three years from the date

of closing of the Private Placement. The Warrants are subject to an acceleration provision, whereby if the Company's shares close at or above \$0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire.

In connection to this private placement, the Company paid finder's fees totaling \$82,000 and issued 930,000 finder's warrants (valued at \$526,910). In addition, the Company incurred other issuance expenses of \$18,049. The Finder's warrants are non-transferable and exercisable on the same terms as the warrants issued in the private placement.

During the period ended December 31, 2020, the Company completed a non-brokered private placement issuing 597,014 units (the "Units"), at a price of \$0.5025 per Unit for gross proceeds of \$300,000. Each Unit is comprised of one common share and one transferable common share purchase warrant. Each warrant allows the holder to purchase one common share of the Company at a price of \$0.75 per share for a period of three years from the date of closing of the private placement.

During the period ended December 31, 2020, the Company granted incentive stock options to purchase a total of 2,100,000 common shares (June 30, 2020 – nil) at an exercise price of \$0.66 per share for a period of five years to certain directors, consultants and advisory board members in accordance with the provisions of its stock option plan. The fair value of the options granted during the period is \$1,163,137, based on the Black-Scholes option pricing model, using a risk-free interest rate of 0.36%, expected life of 5 years, volatility of 125%, and 0% dividend and forfeiture rates. The weighted average fair value per option was \$0.55 and the weighted average exercise price is \$0.66 per share.

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

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

RESULTS OF OPERATIONS

For the six months ended December 31, 2020, the Company recorded a net loss of \$1,871,572 (December 31, 2019 - \$157,379) and had a cumulative deficit of \$4,053,429 (June 30, 2020 - \$2,181,857).

SELECTED ANNUAL INFORMATION

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

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

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected financial information compiled from the quarterly unaudited financial statements for the eight quarters ended December 31, 2020.

	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
	-\$-	-\$-	-\$-	-\$-
Revenue	-	-	-	-
Total assets	2,280,340	2,352,340	163,122	2,099
Working capital (deficit)	2,122,074	2,174,449	30,558	(516,321)
Long-term liabilities	-	-	-	-
Shareholders' equity	2,122,074	2,174,449	30,558	(516,321)
Net loss	(352,375)	(1,519,197)	(48,147)	(55,476)
Net loss per share	(0.02)	(0.10)	(0.02)	(0.02)

	Dec 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019
	-\$-	-\$-	-\$-	-\$-
Revenue	-	-	-	-
Total assets	2,511	4,922	15,129	687,173
Working capital (deficit)	(460,845)	(402,254)	(303,466)	(305,625)
Long-term liabilities	-	-	-	-
Shareholders' equity (deficiency)	(460,845)	(402,254)	(303,466)	337,785
Net loss	(58,591)	(98,788)	(642,081)	(142,217)
Net loss per share	(0.02)	(0.03)	(0.22)	(0.05)

Discussion

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period. Other than the factors leading to certain costs discussed above in the section "Results of Operations", management of the Company does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations.

The main categories causing significant variance in the eight quarters ended December 31, 2020 are described further herein.

During the period ended June 30, 2019, the Company incurred a loss on disposition of exploration and evaluation assets in the period then ended of \$601,626. The variance in loss on disposition of exploration and evaluation assets is due to the disposal of the LAB property, turning it back to GPRL in the period then ended. Consulting, management, and directors fees in the period ended September 30, 2019, and March 31, 2019 increased as a result of utilization of services and related contracts and in December 31, 2020 in part with the additional director.

In the periods ended December 31, 2020, September 30, 2020 and June 30, 2020, the Company completed private placement financings, as further described in liquidity and capital resources above, contributing to the variance in total assets, working capital, shareholders' equity, and net loss per share in the periods then ended. In addition, there were increases in the following items of variance in the periods indicated as follows: September 30, 2020 - stock-based compensation expense recorded in connection to options issued in the amount of \$1,163,137, September 30, 2020 and December 31, 2020 - project investigation expense increases of \$158,850 and \$62,782 respectively mainly in connection to the proposed transactions in Australia, September 30, 2020 and December 31, 2020 - increases in professional fees of \$38,761 and \$28,415 respectively mainly due to expenses incurred in costs of services utilized in connection to the reactivation of its listing on the CSE.

The three months ended December 31, 2020 and 2019:

For the three months ended December 31, 2020, the Company had a net loss of \$352,375 (2019 - \$58,591). The main categories of variance in connection to the Company's proposed transactions in the current period include the increases in business advisory expense of \$64,910 (2019 - \$nil), project investigation expense of \$62,782 (2019 - \$nil), and professional fees of \$28,415 (2019 - \$3,125). The increases in these categories of expenditure are commensurate with the additional services and work requirements of progressing with the due diligence and regulatory requirements of the proposed transactions, in addition, consulting, management and directors fees increased to \$171,758 (2019 - \$45,000) based on the level of activity of the Company, the utilization of services and related contracts.

The six months ended December 31, 2020 and 2019:

For the six months ended December 31, 2020, the Company had a net loss of \$1,871,572 (2019 - \$157,379). The main categories of variance in connection to the Company's proposed transactions in the current period include the increases in business advisory expense of \$100,219 (2019 - \$nil), project investigation expense of \$221,632 (2019 - \$nil), professional fees of \$67,176 (2019 - \$8,375), and website expenses of \$15,497 (2019 - \$nil). The increases in these categories of expenditure are commensurate with the additional services and work requirements of progressing with the due diligence and regulatory requirements of the proposed transactions, in addition, consulting, management and directors fees increased to \$271,933 (2019 - \$120,000) based on the level of activity of the Company, the utilization of services and related contracts.

TRANSACTIONS WITH RELATED PARTIES**Related party balances**

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 4) and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	December 31, 2020 - \$ -	June 30, 2020 - \$ -
Companies controlled by current and former directors and officers of the Company	1,440	21,894
Directors and officer of the Company	-	766
	1,440	22,660

Transactions

During the period ended December 31, 2020, the Company incurred management fees of \$105,543 (2019 - \$45,000) to the CEO of the Company, director fees of \$80,000 (2019 - \$45,000) to a company controlled by a director of the Company, consulting and geological fees of \$8,231 to a company controlled by a director of the Company and consulting fees of \$80,000 (2019 - \$30,000) with a company controlled by the CFO of the Company. The Company also incurred \$553,875 in share-based payments to directors and officers of the Company during the six months ended December 31, 2020.

As at December 31, 2020, the following parties are Directors and or Officers of the Company:

- Adrian Hobkirk, CEO, President, and Director
- Teresa Cherry, CFO, and Director
- Chris Cherry, Director
- William (Bill) Feyerabend, Director, appointed November 10, 2020

OFF BALANCE SHEET ARRANGEMENTS

There are no off- balance sheet arrangements.

PROPOSED TRANSACTIONS

Pilbara Gold Pty

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

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

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

The acquisition is subject to the completion of due diligence, including completion of the Pilbara Gold Technical Report and receiving applicable regulatory approvals. The transaction will close concurrent with the reactivation of the listing on the Exchange and on receipt of regulatory approval. The Company is paying a finder's fee of 750,000 common shares on the completion of the transaction to a non-related third party.

Swan Gold

During the period ended December 31, 2020, the Company entered into an agreement to acquire 100% of the issued and outstanding shares Swan Gold Ltd., a private British Columbia Company, that holds, through Swan Gold (Australia) Pty Ltd. certain significant gold focused tenement applications called "York NE", "Warrawoona E" and "Beatons SE" in the Pilbara region, Western Australia. In consideration for the acquisition of Swan Gold Ltd., the Company will issue a total of 7,500,000 common shares to the shareholders of Swan Gold Ltd. (the "Consideration Shares").

The Consideration Shares will be subject to the following restrictions on resale:

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

The Company will pay a finder's fee equal to 750,000 shares in connection with the transaction. The transaction is at arms-length and will not result in the creation of a control position. The transaction is subject to completion of due diligence including but not limited to, due diligence on the heritage agreements and tenement application, subject to the terms of closing in the agreement and regulatory approval. The Issuer anticipates the timing of closing, if it occurs at all, will be subsequent to the Company's reactivation on the Exchange.

FINANCIAL RISK AND CAPITAL MANAGEMENT

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

Credit risk

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

Liquidity risk

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

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

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at December 31, 2020, the Company had minimal financial assets or no liabilities denominated in a foreign currency and foreign exchange risk is assessed as low.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Capital Management

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

Fair value

The Company's financial instruments consist of cash, trade payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Cash is measured at fair value using Level 1 inputs.

RISKS RELATED TO THE COMPANY'S BUSINESS

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploring of its property will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial.

The following sets out the principal risks to face by the Company.

Exploration Risk. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market Risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities. See "Share Price Volatility and Price Fluctuations" below.

Commodity Price Risks. The Company's exploration projects seek graphite. An adverse change in this commodity's price, or in investors' beliefs about trends in this price, could have a material adverse outcome on the Company and its securities.

Aboriginal Accommodation Risks. Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

Financing Risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon either selling equity in the capital markets or obtaining funding partnerships with third parties to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects recently, there can be no assurance that the capital markets will support providing the financing needed to continue its exploration programs on favorable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its property, requires permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its property will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the property in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at its property on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at its property or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2020 is \$4,053,429. The Company has not yet had any ongoing revenue from the exploration activities on its property, nor has the Company yet determined that commercial development is warranted on its property. Even if the Company commences development of its property, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks. The Company may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. A finding of liability against the Company in such circumstances would have a material effect on the Company's financial position.

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

OTHER MD&A DISCLOSURE REQUIREMENTS

Information Available on SEDAR

As specified by National Instrument 51-102, Graphite advises readers of this MD&A that important additional information about the Company is available on the SEDAR website <http://www.sedar.com/>

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the exploration and evaluation asset of the Company's mineral property is disclosed in Note 3 to the financial statements.

Outstanding Share Data

As at the December 31, 2020 and the current date, there were 22,413,065 common shares issued and outstanding.

As at December 31, 2020 and the current date, there were 13,597,014 warrants outstanding and 930,000 finders warrants outstanding.

As at December 31, 2020 and the current date, there were 2,100,000 stock options outstanding.

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

Vancouver, British Columbia

February 24, 2020

We recommend that users of this report read the below Cautionary Statements.

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, future possible exercise of warrants and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.