NEWS RELEASE

G6 Materials Reports Financial Results for the Second Fiscal Quarter of 2023

Ronkonkoma, New York, USA - TheNewswire – February 1, 2023 - G6 Materials Corp. ("G6" or the "Company") (TSXV: GGG, OTCQB: GPHBF), a high-tech company with expertise in advanced materials and developing innovative composites for a wide range of industrial uses, announces that it has filed its unaudited financial results for the second quarter of the fiscal year ending November 30, 2022, the highlights of which are included in this news release. The full set of Condensed Interim Consolidated Financial Statements and Management Discussion and Analysis can be viewed by visiting G6's website at www.g6-materials.com or its profile page on SEDAR at www.sedar.com.

Financial Highlights (all amounts expressed in US dollars unless otherwise noted)

- Revenue for the three-month period ended November 30, 2022 was $490,527, an increase from the $320,204 reported for the same period last year.
- Gross profit for the three-month period ended November 30, 2022 was $201,471, an increase from the $39,383 reported for the same three-month period last year, primarily due to a change in product sales mix.
- Total expenses for the three-month period ended November 30, 2022 was $1,113,357, an increase from the $649,648 reported for the same three-month period last year, due to an increase in general and administrative expenses related to additional costs related to the launch of the Company's Breathe+ product line.
- Net loss for the three-month period ended November 30, 2022 was $911,886, as compared to a net loss of $610,265 reported for the same three-month period last year, which was due to the sales mix, increased general and administrative expenses and share-based compensation.
- Total assets for the period ended November 30, 2022 were $2,217,306, from $3,761,922 reported for the annual period ended May 31, 2022.

Management Commentary

"The first half of the 2023 fiscal year is off to a strong start as revenue and gross profit are improving after making some changes made to our product sales mix last year. I would like to thank our staff, customers, partners and other stakeholders for each doing their part to assist us in achieving these financial results," said Daniel Stolyarov, President & Co-CEO of G6 Materials Corp. "The Company is currently working on a number of business development initiatives that are promising and have the potential to make the second half of the 2023 fiscal year as promising as the first half. Our team continues to work towards executing on those initiatives and also evaluating new opportunities as they present themselves," added Mr. Stolyarov.

Summary of Key Financial Measures (all amounts expressed in US dollars unless otherwise noted)

The following table contains summary financial information taken from the Company's quarterly financial reports covering the last five reporting quarters. The information set forth should be read in conjunction with the audited annual financial statements, prepared in accordance with International Financial Reporting Standards and the related notes thereon.

	Quarter ended Nov 30, 2022 $	**Quarter ended Aug 31, 2022 $**	**Quarter ended May 31, 2022 $**	**Quarter ended Feb 28, 2022 $**	**Quarter ended Nov 30, 2021 $**
Revenue	490,527	358,400	358,540	337,921	320,204
Cost of goods sold	(289,056)	(225,470)	(174,744)	(130,012)	(280,821)
Gross profit	201,471	132,930	183,796	207,909	39,383
Operating expenses	(1,113,357)	(780,817)	(539,593)	(630,009)	(649,648)
Other income/ (expenses)	-	-	-	-	-
Net income (loss)	(911,886)	(647,887)	(3,132,553)	(422,100)	(610,265)
Comprehensive income (loss)	(936,580)	(626,983)	(3,137,058)	(404,142)	(650,304)
Net income (loss) per share (basic and diluted)	(0.006)	(0.005)	($0.024)	($0.001)	($0.001)
Total assets	2,217,306	3,122,687	3,761,922	6,916,831	7,215,304
Shareholders' equity	1,992,407	2,872,171	3,499,906	6,457,311	6,861,453

Subsequent Highlighted Events (all amounts expressed in US dollars unless otherwise noted)

- On December 6, 2022 the Company Graphene Laboratories Inc. ("**GLI**"), entered into a Strategic Partnership Agreement (the the "**Agreement**") with Singapore-based MADE Advance Materials PTE LTD. ("**MADE**"). The Agreement encapsulates the collaboration between GLI and MADE, which is focused on production collaboration and the potential joint development of intellectual property. MADE and GLI intend to explore the possibility of using the fibre composites with graphene-enhanced resin as necessary to meet specific terms provided by a third-party client.

About G6 Materials Corp.

G6 Materials Corp. is a high-tech company with expertise in advanced materials that creates value developing innovative composites for a wide range of industrial uses. Graphene Laboratories Inc., a wholly owned subsidiary of G6, sells a range of graphene-based products and other materials, including but not limited to conductive epoxies, high-performance composites, and R&D materials, with numerous customers from among the Fortune 500 list of companies, as well as NASA and leading universities. Graphene Laboratories Inc. has entered the global air filtration market with Breathe⁺, a line of medical-grade HEPA air filtration products enhanced with advanced performance graphene material.

G6 has identified new graphene-based applications to accelerate growth into the future. Accordingly, the Company has a valuable IP portfolio currently comprising five granted patents. The Company's management team and employees have a deep understanding of graphene technology based on decades of aggregate academic and commercial experience. Graphene Laboratories Inc., a wholly owned subsidiary of G6 located in Ronkonkoma, New York, has established its premium research laboratory and scalable production facility equipped with advanced analytical and material processing equipment.

The Company's e-commerce websites are listed below:

- Breathe⁺: Medical-grade HEPA air filtration enhanced with advanced performance graphene material, for more information, visit www.breatheplus.tech
- Conductive Epoxies: Adhesive materials distributed under the G6-Epoxy™ trade name and can be purchased at www.g6-epoxy.com
- R&D Materials: Graphene Laboratories Inc. currently offers over 100 graphene and related products available at www.graphene-supermarket.com

Forward-Looking Information

This news release contains forward-looking statements within the meaning of the applicable securities legislation that is based on expectations, estimates and projections as at the date of this news release. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. "Forward-looking information" in this news release includes but is not limited to information about the graphene-enhanced air purifier (including efficacy, potential commercialization and patent pending thereof); information about the potential for the Company's long-term growth; the business goals and objectives of the Company, and other forward-looking information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms thereon.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Risk factors that could cause actual results to differ materially include, but are not limited to, the risk that actual results in commercial applications of the graphene-enhanced air purifier may differ significantly from the Test Results; the Test Results may not be accepted by applicable regulatory agencies required to approve commercialization of the graphene-enhanced air purifier; the Company may not receive required approvals from regulatory agencies to commercialize the graphene-enhanced air purifier; the Company may not achieve further stages of commercialization of the graphene-enhanced air purifier as anticipated, or at all; the Company patent pending (US20210346831A1) may not be granted; the Company may not achieve anticipated commercial gains or profitability from the sale of Breathe+ Pro Advanced Antimicrobial Graphene Air Filtration System as currently anticipated, or at all; risks associated with adoption by industries of graphene-based products health and environmental factors affecting adoption of these technologies; the company may fail to obtain appropriate government approvals or accreditation related to the business' operations and technological processes; the market conditions and demand for its product as well as the market prices of such products being developed by the company may change over time; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; competition; dilution; and the volatility of our common share price and volume.

The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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ON BEHALF OF THE BOARD: Daniel Stolyarov, President & Co-CEO

For more information on G6 Materials Corp., please visit www.G6-Materials.com or its profile page on SEDAR at www.sedar.com.

SOURCE: G6 Materials Corp.

G6 MATERIALS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2022 AND 2021
(Unaudited - Expressed in US Dollars)

Notice of non-review of condensed interim consolidated financial statements

The accompanying condensed interim consolidated financial statements are the responsibility of management and have been approved by the Board of Directors. The Company's independent auditor has not reviewed these condensed interim consolidated financial statements.

G6 MATERIALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(Unaudited - Expressed in US Dollars)

	Notes	November 31, 2022	May 31, 2022
ASSETS		**$**	**$**
Current			
Cash and cash equivalents		995,637	2,119,429
Amounts receivable	5	49,948	51,672
Inventory	6	783,037	969,993
Prepaid expenses and deposits		93,163	219,128
		1,921,785	3,360,222
Equipment	8	126,772	114,959
Right-of-use asset	7	16,028	112,199
Intangible assets	4	152,722	174,542
		2,217,306	3,761,922
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	208,427	148,420
Current portion of lease liability	7	16,472	113,596
		224,899	262,016
SHAREHOLDERS' EQUITY			
Share capital	11	16,487,601	16,487,601
Warrants reserve	11	125,605	125,605
Contributed surplus		3,319,123	3,203,059
Accumulated other comprehensive income (loss)		(157,834)	(94,044)
Deficit		(17,782,088)	(16,222,315)
		1,992,407	3,499,906
		2,217,306	3,761,922

Subsequent Event (Note 16)

Approved on behalf of the Board of Directors on January 30, 2023.

"Daniel Stolyarov" Director
Daniel Stolyarov

"John Gary Dyal" Director
John Gary Dyal

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

G6 MATERIALS CORP.

CONDENSED INTERIM ONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED,
(Unaudited - Expressed in US Dollars)

	Notes	Three months November 30, 2022	Three months November 30, 2021	Six months November 30, 2022	Six months November 30, 2021
		$	$	$	$
REVENUE		490,527	320,204	848,927	661,338
COST OF GOODS SOLD		(289,056)	(280,821)	(514,526)	(450,473)
		201,471	39,383	334,401	210,865
EXPENSES					
Amortization of intangible asset	4	10,910	10,910	21,820	21,820
Amortization of right-of-use asset	7	48,086	22,684	96,171	45,368
Depreciation of equipment	8	8,006	2,470	16,188	6,325
Foreign exchange loss		124	194	171	3,067
Lease interest	7	490	3,006	1,707	6,335
Marketing and investor relations		112,159	86,283	179,771	140,567
Office and administrative		301,450	57,750	380,436	148,549
Professional fees	9	224,164	242,250	319,137	597,722
Regulatory fees		34,383	13,548	34,842	39,950
Research and development		53,646	54,635	140,203	133,109
Salaries and benefits	9	260,469	151,778	582,329	239,281
Share-based compensation	11	56,816	-	116,064	-
Travel expenses		2,654	4,140	5,335	10,231
		(1,113,357)	(649,648)	(1,894,174)	(1,392,324)
OTHER ITEM					
License and option fees	11	-	-	-	-
		-	-	-	-
NET LOSS BEFORE INCOME TAXES		(911,886)	(610,265)	(1,559,773)	(1,181,459)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified subsequently to income:					
Foreign currency translation income (loss)		(24,694)	(40,039)	(63,790)	(215,873)
COMPREHENSIVE LOSS		(936,580)	(650,304)	(1,623,563)	(1,397,332)
(LOSS) PER SHARE - BASIC AND DILUTED		$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		163,679,193	128,351,697	163,679,193	128,351,697

G6 MATERIALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED,
(Unaudited - Expressed in US Dollars)

	Notes	November 30, 2022	November 30, 2021
		$	$
OPERATING ACTIVITIES			
Net loss for the period		(1,559,773)	(1,181,459)
Non-cash items:			
Lease interest	7	1,707	6,335
Amortization of intangible asset	4	21,820	21,820
Amortization of right-of-use asset	7	96,171	45,368
Depreciation of equipment	8	16,188	6,325
Share-based compensation	11	116,064	-
Foreign exchange loss		171	3,067
		(1,307,652)	(1,098,544)
Changes in non-cash working capital items:			
Amounts receivable		1,724	(90)
Inventory		186,956	100,677
Prepaid expenses and deposits		125,965	(322,273)
Accounts payable and accrued liabilities		60,007	(7,419)
		(933,000)	(1,327,649)
INVESTING ACTIVITIES			
Purchase of equipment	8	(28,000)	(14,450)
		(28,000)	(14,450)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares (net)		-	(26,647)
Payments on lease	7	(98,831)	(49,493)
		(98,831)	(75,686)
Change in cash and cash equivalents		(1,059,831)	(1,417,785)
Effect of exchange rate changes on cash		(63,961)	(218,939)
Cash and cash equivalents, beginning		2,119,429	4,878,904
Cash and cash equivalents, ending		995,637	3,242,180

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

G6 MATERIALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2022 AND 2021
(Unaudited - Expressed in US Dollars)

	Notes	Common Shares #	Common Shares $	Warrants Reserve #	Warrants Reserve $	Contributed Surplus $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Total $
Balance, May 31, 2021		**138,679,193**	**13,754,030**	**24,433,143**	**125,605**	**3,023,406**	**108,376**	**(11,486,203)**	**5,525,214**
Share issued for acquisition of business	4, 11	25,000,000	2,759,818	-	-	-	-	-	2,759,818
Share issuance cost in connection with private placement		-	(26,247)	-	-	-	-	-	(26,247)
Foreign currency translation income		-	-	-	-	-	(215,873)	-	(215,873)
Net loss for the period		-	-	-	-	-	-	(1,181,459)	(1,181,459)
Balance, November 30, 2021		**163,679,193**	**16,487,601**	**24,433,143**	**125,605**	**3,023,406**	**(107,497)**	**(12,667,662)**	**6,861,453**
Balance, May 31, 2022		**163,679,193**	**16,487,601**	**14,476,000**	**125,605**	**3,203,059**	**(94,044)**	**(16,222,315)**	**3,499,906**
Share-based compensation		-	-	-	-	116,064	-	-	116,064
Foreign currency translation loss		-	-	-	-	-	(63,790)	-	(63,790)
Net loss for the period		-	-	-	-	-	-	(1,559,773)	(1,559,773)
Balance, November 30, 2022		**163,679,193**	**16,487,601**	**14,476,000**	**125,605**	**3,319,123**	**(157,834)**	**(17,782,088)**	**1,992,407**

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

1. NATURE OF OPERATIONS

G6 Materials Corp. ("G6" or the "Company"), formerly Graphene 3D Lab Inc., was incorporated pursuant to the British Columbia Business Corporations Act on January 17, 2011. On August 8, 2014, through a reverse acquisition transaction, the Company acquired Graphene 3D Lab (U.S.) Inc. which was deemed to be the continuing entity for financial reporting purposes. Graphene 3D Lab (U.S.) Inc. was incorporated on September 3, 2013 in the State of Delaware, U.S.A. On January 23, 2020, the Company changed its name from Graphene 3D Lab Inc. to G6 Materials Corp. The Company's shares continue to trade on the TSX Venture Exchange under the same ticker symbol ("GGG").

On December 8, 2015, the Company closed a non-arm's length share exchange agreement to acquire all of the issued and outstanding shares of Graphene Laboratories Inc. which was incorporated under the laws of the Commonwealth of Massachusetts, U.S.A.

On August 25, 2021 ("Closing Date"), the Company acquired 100% interests in GX Technologies, LLC ("GX Technologies"). Please refer to Note 4 for the acquisition details.

The Company currently has five US patents granted and five patent applications filed. The patent applications and the granted patents cover technology for graphene manufacturing and applications as well as for non-graphene related technology.

The address of the Company's head office and principal place of business is at Suite 2, 760 Koehler Avenue, Ronkonkoma, New York.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements. Such adjustments could be material. As at November 30, 2022, the Company had working capital of $1,696,886 compared to working capital of $3,098,206 at May 31, 2021. The Company anticipates it will have sufficient cash on hand to service its liabilities and fund operating costs as they come due. However, there is uncertainty with respect to the Company's ability to generate sufficient earnings to fully fund its operating activities without raising additional capital. The application of the going concern assumption is dependent upon the Company's ability to continue to generate future profitable operations and/or obtain additional financing. The above events and conditions indicate there is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION AND CONTINUING OPERATIONS

a) Basis of Presentation

The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended May 31, 2022. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2022. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended May 31, 2023.

b) Basis of Consolidation

These condensed interim consolidated financial statements incorporate the accounts of the Company and its wholly owned subsidiaries Graphene 3D Lab (U.S.) Inc., Graphene Laboratories Inc and GX Technologies LLC. All significant intercompany transactions and balances have been eliminated on consolidation.

These condensed interim consolidated financial statements were approved and authorized for issuance in accordance with resolution from the Board of Directors on January 30, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position is comprised of cash on hand and short-term deposits which are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

b) Inventory

The Company's inventory is measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overhead costs.

An allowance for obsolete or slow-moving inventories is made where necessary. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

c) Equipment

Items of equipment are recognized at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and the costs of dismantling and removing the item and restoring the site on which it is located, if any.

When parts of items of equipment have difference useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized in net profit (loss).

Laboratory equipment is depreciated on a straight-line basis ranging from 3 to 5 years.

Estimates for depreciation methods, useful lives and residual values are reviewed at each reporting period-end and adjusted, if appropriate.

d) Significant Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Share-based compensation

Share-based compensation is subject to the estimation of the fair value of the award at the date of grant using the Black-Scholes pricing model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeitures.

Estimated useful lives of long-lived assets and intangible assets

Management reviews the useful lives of intangible and depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to website content and application and technology development.

Identification and valuation of intangible assets acquired in business combinations

In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management, with assistance from an independent valuation expert where necessary, develops the fair value using appropriate valuation techniques which are based on a forecast of the total expected future net cash flows. In determining the fair value of the intangible assets at the acquisition date, the Company's significant assumptions include the future net cash flows and the discount rate applied.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for no more than one year from the acquisition date.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, which includes intangible assets, are reviewed at each reporting date to determine whether there are any events or changes that are indicators of impairment. If such an indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together in the smallest group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets or cash generating units ("CGUs"). The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs to sell. In assessing value in use, future discounted cash flows are estimated. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of loss. The Company evaluates impairment losses for potential reversals (other than goodwill) when events or circumstances warrant such consideration.

Right-of-use assets and lease liability incremental borrowing rate

The Company has applied estimates for the incremental borrowing rate used in lease analysis, which significantly affects the amount of lease liability and right-of-use assets recognized.

Provision for expected credit losses ("ECLs")

The Company performs impairment testing annually for trade receivables in accordance with IFRS 9. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Inventory

The Company's inventory is measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overhead costs.

An allowance for obsolete or slow-moving inventories is made where necessary. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Judgements

The key areas of judgement that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Right-of-use assets and lease liability

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options, which significantly affects the amount of lease liability and right-of-use assets recognized.

Determination of functional currency

The Company gives priority to the considerations outlined in IAS 21 when determining functional currencies of its entities based on which currency most faithfully represents the economic effects of the underlying transactions and events.

Determination of CGUs

The Company gives priority to the considerations outlined in IAS 36 when determining CGUs based on the smallest identifiable group of assets that generate cash inflows largely independently of other assets or groups of assets.

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable income will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from this process impacts the amount of the deferred tax assets management judges is probable.

e) Loss Per Share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

f) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely;

otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

g) Share-based Compensation

The Company uses the fair value based method of accounting for share-based compensation for all awards of shares and share options granted.

The share option plan allows Company employees to acquire shares of the Company. The fair value of options granted is recognized as an employee expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless the fair value cannot be estimated reliably, in which case they are recorded at the fair value of the equity instruments granted.

h) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognizes revenues from the sale of graphene and graphene related products at the point in time when it satisfies its performance obligations. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur. These criteria are generally met at the time the product is shipped and when control transfers to the customer. Revenue is measured based on the price specified in the sales contract and net of discounts.

i) Financial Instruments

Financial assets – Financial assets are initially measured at fair value plus, in the case of a financial asset not measured at fair value through profit and loss ("FVTPL"), transaction costs. Financial assets are subsequently measured at: (i) FVTPL; (ii) fair value through other comprehensive income ("FVOCI") or (iii) amortized cost. The classification is based on whether the contractual cash flow characteristics represent "solely payments of principal and interest" as well as the business model under which the financial assets are managed.

Financial liabilities – Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

IFRS 9 uses an expected credit loss impairment model and the impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

j) Functional Currency and Foreign Currency Translation

The reporting currency of the Company is the US dollar. The functional currency of the Company is the Canadian dollar ("C$"). The functional currency of Graphene 3D Lab (U.S.) Inc., Graphene Laboratories Inc. and GX Technology LLC. is the US dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

On consolidation the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statement of operations are translated at the average exchange rates prevailing during the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of operations.

k) Impairment

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of the impairment, if any. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

An impairment loss is recognized in operations if the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

l) Intangible Assets

Intangible assets acquired as part of a group of other assets are initially recognized and measured at cost less accumulated amortization and accumulated impairment losses. The cost of a group of intangible assets acquired in a business combination that meet the specified criteria for recognition apart from goodwill, is allocated to the individual assets acquired based on their relative fair values. Costs incurred to establish and maintain patents for intellectual property developed internally are expensed in the period incurred. Intangible assets with finite useful lives are amortized over their estimated useful lives from the date they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Intangible assets not yet available for use or with indefinite lives are not amortized but are tested for impairment at each reporting date. The intangible assets are being amortized on a straight-line basis over their estimated useful life of ten years.

m) Business Combinations

The Company uses the acquisition method to account for business combinations. The acquired identifiable net assets are measured at their fair value at the date of acquisition. Deferred taxes are recognized for any differences between the fair value and the tax basis of the net assets acquired. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the purchase price below the fair value of the net assets acquired is recorded as a gain in profit and loss. Associated transaction costs are expensed when incurred.

(Unaudited - Expressed in US Dollars)

4. INTANGIBLE ASSETS

As part of the acquisition of Graphene Laboratories Inc., the Company acquired intangible assets comprised of certain intellectual property, including a provisional patent relating to technology enabling cost efficient industrial scale manufacture and processing of graphene. As at November 30, 2022, the Company's intangible assets are as follows:

Cost:	**$**
Balance, May 31 and November 30, 2022	436,382
Accumulated Amortization:	
Balance, May 31, 2021	218,200
Amortization	43,640
Acquisition of intangible asset (GX Technologies, LLC)	2,776,756
Impairment of intangible asset	(2,776,756)
Balance, May 31, 2022	261,840
Amortization	21,820
Balance, November 30, 2022	283,660
Net Book Value:	
May 31, 2022	174,542
November 30, 2022	152,722

Acquisition of GX Technologies

On August 25, 2021 ("Closing Date"), the Company acquired 100% interests in GX Technologies, LLC ("GX Technologies") an arm's length party. Pursuant to the terms of the agreement, as payment, the Company issued 25,000,000 common shares ("Consideration Shares") to the shareholders of GX Technologies. On Closing Date, the fair value of the Consideration Shares was $0.11 (C$0.14) per common share. The Consideration Shares will be released from escrow over a period of 28 months from the Closing Date as following vesting schedule listed below. The acquisition of GX Technologies was treated as an asset acquisition by the Company as GX Technologies did not have any operating activities at the time of the acquisition.

Vesting Date	Consideration shares
4 -month from Closing date (December 25, 2021)	5,000,000
10 -month from Closing date (June 25, 2022)	5,000,000
16 -month from Closing date (December 25, 2022)	5,000,000
22 -month from Closing date (June 25, 2023)	5,000,000
28 -month from Closing date (December 25, 2023)	5,000,000
Total	**25,000,000**

The following table summarizes the allocation of the purchase price and related acquisition costs to the fair value of the assets acquired and liabilities assumed of GX Technologies at the date of acquisition:

Purchase price (25,000,000 common shares)	$	2,759,818
Total cost of acquisition	**$**	**2,759,818**
Accounts payable and accrued liabilities	$	(16,938)
Intangible asset		2,776,756
Net identifiable assets acquired	**$**	**2,759,818**

During the fiscal year ended May 31, 2022, the Company conducted impairment tests on its intangible asset not yet ready for use. The Company tested intangible asset not ready for use for impairment which is allocated to its only cash generating unit. The recoverable amount of CGU was determined based on value in use which require the use of assumptions. The calculations use cash flow projections based on financial forecasts approved by management covering a five-year period using the estimated assumptions described below:

(Unaudited - Expressed in US Dollars)

- Long term growth rate of 2%
- The discount rate was calculated based on market participant factors at 40.2%.

As a result, the Company recorded and impairment of $2,776,756 to the intangible assets due to the high degree of uncertainty surrounding the future viability of the intangible assets (the GX Technologies IP).

5. AMOUNTS RECEIVABLE

	November 30, 2022	May 31, 2022
	$	$
Trade accounts receivable	42,572	36,310
GST receivable	7,376	15,362
Total	49,948	51,672

6. INVENTORY

	November 30, 2022	May 31, 2022
	$	$
Raw materials	243,270	166,644
Finished goods	539,767	803,349
Total	783,037	969,993

The cost of inventory is recognized as an expense and included in cost of goods sold when sold. For the period ended November 30, 2022, the amount of inventory recognized in cost of goods sold was $449,230 (May 31, 2022 - $698,736).

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company entered into a three-year lease agreement for the Company's facilities in Ronkonkoma, New York, USA beginning on January 1, 2018 and ending on December 31, 2020, which required monthly payments of $8,000. Subsequently the Company renewed another three-year lease agreement for the Company's facilities beginning on January 1, 2021 and ending on December 31, 2023, which requires monthly payments of $8,240. Upon adoption of IFRS 16 effective in fiscal 2020, the Company recognized a right-of-use asset and a lease liability of $145,382. On November 22, 2021, the Company amended the lease agreement by increasing the month payment from $8,240 to $8,487 during the periods from January 1, 2022 to December 31, 2022. As a result, the Company made an adjustment on the leased liability of $186,848 in connection with the amendments of lease agreement for the Company's facilities in Ronkonkoma, New York, USA.

On November 23, 2021, the Company entered into another 12-month lease agreement for the expansion of Company's facilities in Cerritos, California, USA beginning on January 1, 2022 and ending on December 31, 2022, which required monthly payments of $7,985. The Company recognized a right-of-use asset and a lease liability of $192,341. The Company used a 6% discount rate, its incremental borrowing rate to calculate the present value of the future lease payments and the lease interest expense.

RIGHT-OF-USE ASSET

Cost:	**$**
Balance, May 31, 2021	417,593
Addition	192,341

(Unaudited - Expressed in US Dollars)

Balance, May 31, 2022	609,934
Addition	-
Balance, November 30, 2022	609,934
Accumulated Amortization:	
Balance, May 31, 2021	183,189
Amortization	181,157
Adjustment on the renewal of contract	181,474
Balance, May 31, 2022	497,735
Amortization	96,171
Balance, November 30, 2022	593,906
Net Book Value:	
May 31, 2022	112,199
November 30, 2022	16,028

LEASE LIABILITY

	$
Balance, May 31, 2021	237,262
Lease interest expense	10,878
Addition	192,341
Payments	(140,039)
Adjustment on the renewal of contract	(186,846)
Balance, May 31, 2022	113,596
Lease interest expense	1,707
Payments	(98,831)
Balance, November 30, 2022	16,472
Current portion of lease liability	**16,472**
Long-term portion of lease liability	**-**

As at November 30, 2022, the Company will have future undiscounted lease payments totaling $16,472 in December 2022.

8. EQUIPMENT

	Laboratory Equipment
Cost:	$
Balance, May 31, 2021	564,266
Additions	106,115
Balance, May 31, 2022	670,381
Additions	28,000
Balance, November 30, 2022	698,381
Accumulated Depreciation:	
Balance, May 31, 2021	536,589
Depreciation expense	18,833
Balance, May 31, 2022	555,422
Depreciation expense	16,188
Balance, November 30, 2022	571,610

(Unaudited - Expressed in US Dollars)

Net Book Value:	
May 31, 2022	114,959
November 30, 2022	126,771

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors and officers of the Company. The Company incurred the following key management compensation charges during the period ended November 30, 2022 and 2021:

	November 30, 2022	**November 30, 2021**
	$	$
Salaries, bonuses, fees and benefits	158,538	92,282
Share-based compensation	60,555	-
	219,094	92,282

During the year period November 30, 2022, the Company paid professional fees to companies controlled by officers, directors and spouses of officers of the Company in the amount of 71,930 (2021 - $71,949).

As at November 30, 2022, the Company had $3,451 (2021 - $3,451) receivable from a director and officer. In addition, the Company had $7,496 (2021 - $7,057) receivable from the spouse of a director and officer. The amounts receivable are unsecured, non-interest bearing and have no fixed terms of repayment.

As at November 30, 2022, the Company owed $13,449 (2021 – Nil) to companies controlled by an officer. The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

Transactions with related parties are incurred in the normal course of operation and recorded at fair value.

The amounts due to related parties are included in accounts payable and accrued liabilities.

10. LICENSE AND OPTION FEES

License and option fees are comprised of a non-refundable payment received at the time of entering into a license and option agreement (the "Agreement") with a US-based clinical-stage biopharmaceutical company. As per the Agreement, the Company received a one-time cash payment of $220,000 by granting the partner an exclusive license to use the intellectual property for a period of two years. Further, the partner will also have an option to purchase the Company's intellectual property rights for an incremental $1,000,000 during the two-year license period. During the year ended May 31, 2021, the cash payment of $220,000 was recognized as income upon transfer of the license as the Company had no significant future performance obligations and collectability of the fees was reasonably assured.

11. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Issued and outstanding common stock:

a) On August 25, 2021, the Company issued 25,000,000 common shares for the acquisition of GX Technologies LLC for gross proceed of $2,759,818 (C$3,500,000). Please refer to Note 4 for transaction details.

Escrow shares:

(Unaudited - Expressed in US Dollars)

As at November 30, 2022, there are 15,000,000 (2021 - nil) common shares subject to escrow agreement, please refer to Note 4 Intangible Assets, Acquisition of GX Technologies for the vesting schedule detail of the escrow shares.

Stock options:

The Company has adopted a stock option plan (the "Plan"), providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than the closing share price of the day preceding the date of grant.

Continuity of stock options:

	Number of options	Exercise price
Options outstanding – May 31, 2021	7,495,000	C$0.11
Granted during the year	6,900,000	C$0.10
Expired during the year	(845,000)	C$0.21
Forfeited during the year	(100,000)	C$0.12
Options outstanding – May 31, 2022	13,450,000	C$0.10
Expired during the year	(2,650,000)	C$0.12
Options outstanding – November 30, 2022	10,800,000	C$0.09

The fair value of the stock options granted is estimated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

On March 16, 2022, the Company granted 6,900,000 stock options to certain directors, officers and consultants of the Company with a fair value of C$0.10 at the date of grant. The options are exercisable at C$0.10 per share for a period of five years from the date of grant. Among these options granted, 2,000,000 are subject to a 3-year vesting schedule, where 25% of the options will be granted immediately, and 25% will be granted at each anniversary.

The fair value of the stock options granted is estimated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The weighted average assumptions used in the Black-Scholes option pricing model are as follows:

	2022	2021
Share price	C$0.11	C$0.08
Risk-free interest rate	1.29%	1.16%
Expected volatility	132.48%	132.31%
Expected dividend yield	$nil	$nil
Expected forfeiture rate	0%	0%
Expected life	5 years	5 years

Based on the Black-Scholes option pricing model and the assumptions outlined above, the Company recorded share-based compensation of $116,064 for the six-month period ended November 30, 2022 (2021 - Nil). The weighted average fair value of each option granted was $0.08 (2021 - $0.07).

Details of stock options outstanding:

(Unaudited - Expressed in US Dollars)

Expiry date	Exercise price	Remaining life (years)	Number of stock options outstanding	Number of stock options vested and exercisable
October 14, 2025	C$0.08	2.87	3,900,000	3,900,000
March 16, 2027	C$0.10	4.29	6,900,000	5,400,000

Share purchase warrants:

The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share, and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

Continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price
Warrants outstanding – May 31, 2020	23,456,761	C$0.116
Warrants granted during the year	14,476,000	C$0.300
Warrants exercised during the year	(13,499,618)	C$0.120
Warrants outstanding – May 31, 2021	24,433,143	C$0.223
Warrants expired during the year	(9,957,143)	C$0.120
Warrants outstanding – May 31, 2022 and November 30, 2022	14,476,000	C$0.293

Details of warrants outstanding:

Expiry date	Exercise price	Remaining life (years)	Number of warrants outstanding
April 12, 2023	C$0.30	0.36	14,476,000

12. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern to pursue the the development and production of innovative graphene-based solutions. The Company does not have any externally imposed capital requirements to which it is subject.

The Company defines its capital as all components of shareholders’ equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

13. FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of cash and cash equivalents, trade accounts receivable, accounts payable and loan payable.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

The following table sets for the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash and cash equivalents	995,637	-	-	995,637

The Company has determined that the carrying values of its trade accounts receivable, accounts payable and loan payable approximate their fair value due to the short-term maturities of these financial instruments.

i) Credit risk

Credit risk is the risk of financial loss to the Company if counter-party to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its cash and cash equivalents with large United States and Canadian chartered banks. The Company manages credit risk for trade and other receivables through established credit monitoring activities. As at November 30, 2022 and 2021, the Company's maximum exposure to credit risk is the carrying value of cash and cash equivalents and trade accounts receivable.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. As at November 30, 2022 and 2021, the Company is not exposed to significant interest rate risk.

iii) Currency risk

The Company has transactions internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from financing and purchase transactions that are denominated in currency other than the US Dollar, which is the functional currency of the Company. As at November 30, 2022, the Company held US$368,140 (May 31, 2022 – C$1,647,573) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by $36,814 (May 31, 2022 - $164,757).

iv) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at November 30, 2022, the Company had a working capital surplus of $1,696,886.

As at November 30, 2022	**Up to 1 year**	**1 - 5 years**	**Total**
Accounts payable	208,427	-	208,427
Lease liability	16,472	-	16,472
	224,899	-	224,899

14. SEGMENT DISCLOSURES

The Company operates in one reportable segment – the development, manufacturing and sale of graphene-enhanced materials. Substantially all of the Company's revenue was generated in the U.S. and all long-lived assets are located in the U.S.

G6 MATERIALS CORP.
Management Discussion and Analysis
For the six-month period ended November 30, 2022

This Management Discussion and Analysis ("MD&A") of G6 Materials Corp. (the "Company" or "G6") provides analysis of the Company's financial results for the six-month period ended November 30, 2022 and 2021. The following information should be read in conjunction with the consolidated financial statements and notes for the year ended May 31, 2022, which are prepared in accordance with International Financial Reporting Standards. All amounts are expressed in US dollars unless otherwise noted. Canadian dollars are indicated by the symbol "C$".

This discussion contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this MD&A, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the marketing and sale of securities, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors with certain other projects, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are many important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, but are not limited to, risks related to the Company's current and proposed business such as failure of the business strategy, stable supply prices, demand and market prices for the Company's products; demand and value of the Company's intellectual property; government regulations; risks related to the Company's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, reliable supply chains; risks related to the Company and its business generally such as potential exposure to tax under Canadian and US income tax laws, laws and regulations relating to cross-border mergers and acquisitions, infringement of intellectual property rights, product liability, environmental protection, currency exchange rates and conflicts of interest.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

1.1 DATE OF REPORT

This report is prepared as of January 30, 2023.

1.2 COMPANY OVERVIEW

G6 Materials Corp., formerly known as Graphene 3D Lab Inc. (the "Company" or "G6"), was incorporated pursuant to the British Columbia Business Corporations Act on January 17, 2011. On August 8, 2014, the Company acquired Graphene 3D Lab (U.S.) Inc. ("Graphene 3D U.S.") through a reverse acquisition/takeover transaction ("Transaction"). The historical operations, assets and liabilities of Graphene 3D U.S. are included as the comparative figures as at and for the period ended

May 31, 2014, which is deemed to be the continuing entity for financial reporting purposes. Graphene 3D U.S. was incorporated on September 3, 2013 in the State of Delaware, U.S.A.

On August 11, 2014, the Company's common shares resumed trading on the TSX Venture Exchange ("TSX-V") under the symbol "GGG." On October 7, 2014, the Company began trading on OTCQB, the venture marketplace for entrepreneurial and development stage companies operated by OTC Markets Group, under the symbol "GPHBF".

Graphene 3D U.S. is a C-corporation, organized on September 3, 2013 under the laws of the State of Delaware. The founders of the corporation include Daniel Stolyarov, Ph.D., the current President & CEO and Elena Polyakova, Ph.D. Founding team members have many years' worth of combined experience in 3D printing, material production, R&D, and the commercialization of new materials. Graphene 3D U.S. was initially a spinout of Graphene Laboratories Inc. ("Graphene Laboratories" or "GLI"). On August 12, 2015, the Company entered a Share Exchange Agreement ("SEA") to acquire all of the issued and outstanding shares of GLI. This transaction was reviewed and accepted for filing by the TSX Venture Exchange and closed on December 8, 2015. Graphene Laboratories now operates as a wholly owned subsidiary of the Company.

On January 23, 2020, the Company changed its name from Graphene 3D Lab Inc. to G6 Materials Corp. ("G6"). The Company's shares continue to trade on the TSX-V under the same ticker symbol "GGG".

On August 25, 2021 ("Closing Date"), the Company acquired 100% interests in GX Technologies, LLC ("GX Technologies").

1.3 NATURE OF BUSINESS

G6 Materials Corp. is a technology company creating value through the development of innovative graphene-based solutions. Historically, it has been in the business of developing, manufacturing, and marketing proprietary products based on graphene and other advanced materials. The Company's target industries include but are not limited to aerospace, automotive, healthcare, marine, medical prosthetics and various branches of the military.

In 2020, the Company shifted its primary strategic focus to pursuing the large market opportunity created by the global coronavirus pandemic with respect to the sale of air purification and filtration products. Based on graphene having extraordinary antiviral and antibacterial properties, the Company recognized that it was well positioned to play a unique role in satisfying customer demand for existing air filtration products while also developing advanced purification products to address a gap in the market by applying its graphene-based expertise.

The Company's most active subsidiary over its history has been the wholly owned Graphene Laboratories Inc. ("Graphene Labs"). Graphene Labs has grown to offer over 100 graphene and related products to a large client list of historical customers worldwide, including Fortune 500 technology companies and major research universities. Some of the Company's notable historical clients are NASA, Ford, GE, Apple, Xerox, Samsung, Harvard University, IBM and Stanford University. In addition, the Company is engaged in developing high performance composites to be used in the pharmaceutical and biotechnology industries.

Graphene is a novel material with a variety of outstanding properties. It is currently available in the market at various grades, with performance characteristics such as mechanical strength and conductivity improving with fewer atomic layers. Graphene Labs' patented manufacturing process provides separation and enrichment of graphene nanoplatelets, improving the quality of graphene nanoplatelets.

The Company also currently has five patents granted and five patent applications filed with the US Patent and Trademark Office. The patent applications and the granted patents cover technology for graphene manufacturing and applications as well as for non-graphene related technology.

More specifically, and presented alphabetically, the Company operates in the following areas:

Air Purification and Hygiene Products

In 2020, the Company shifted its primary strategic focus to pursuing the large market opportunity created by the global coronavirus pandemic with respect to the sale of air purification and filtration products. The Company is offering these products under the trademark "G6 Wellness®" duly registered by US Patent and Trademark Office.

Based on graphene having extraordinary antiviral and antibacterial properties, the Company recognized that it was well-positioned to play a unique role in satisfying customer demand for existing air filtration products while also developing advanced purification products to address a gap in the market by applying its graphene-based expertise. The Company has filed a provisional patent application No. US20210346831A1 that covers the method of manufacturing the graphene oxide based antiviral coating. Currently, the Company is working on commercializing this technology and developing consumer products and systems based on this concept. The Company engaged an independent testing laboratory to perform various microbial tests of the air purifier prototype being developed, which were announced as having a 99.9% efficacy rate against randomly selected pathogenic microorganisms. The Company is currently working with a manufacturer partner overseas to make the air purifier to be sold in the US market. It is also planning to obtain all necessary government accreditations and certifications necessary to start offering this new product in US.

Conductive Adhesives

Through research and development, the Company has been able to create innovative products with unique properties by using a proprietary mix of high-performance carbon fillers to achieve superb electrical and mechanical properties for electrically conductive adhesives. The Company's specialty adhesive epoxies are well suited for use in the aerospace, automotive, electronics, and communication industries, among others. The company is working with several large European manufacturers in the field of flexible electronics and sensors and helping them to adopt the properties of the products to their manufacturing processes. Adhesive materials produced by the company are distributed under the G6-Epoxy™ trade name and can be purchased at: https://g6-epoxy.com/.

High Performance Composites

The Company develops advanced composite material formulations based on graphene additives. The graphene additives developed by the Company are used to improve the performance of fiber composite laminates, including carbon fiber and fiberglass composites. Such composites are used in various industries including but not limited to construction, automotive and aerospace. In particular, the Company has developed formulations for carbon fiber and fiberglass laminated composites for use in marine vessels and their structures. When compared to other composite materials commonly used for shipbuilding, laminated composites enhanced with graphene have much better fatigue resistance, better shock absorbent properties and lower water absorption rates, thereby improving a vessel's resilience in the harsh sea environment and extending its service life. The Company is planning to pursue this commercial opportunity to market these novel material formulations to shipbuilders in the US and aboard. The specifications and technical information about these materials could be found on the Company's web site at: https://g6-materials.com/advanced-materials-and-composites/

R&D Materials

Graphene Supermarket (Graphene R&D Materials): The Company's suite of graphene products is available online at the Graphene Supermarket e-commerce platform (www.graphene-supermarket.com). Graphene Supermarket was originally founded in 2010 and has been one of the longest-serving e-commerce websites catering to the research & development field, with thousands of customers spanning the Fortune 500, leading universities, and other institutions throughout more than 100 countries. Graphene Supermarket offers a broad range of graphene nanomaterials, including CVD-grown graphene on foils and wafers, graphene nanopowder, graphene oxide, graphene in solution, and reduced graphene oxide. G6 is a world leader in the development, manufacturing, and marketing of graphene and other advanced materials as well as composites based on these nanomaterials. These diverse materials have a wide spectrum of commercial, research and military applications.

Graphene Enrichment Process Patent

The Company was granted the US Patent US 11,104,577 pertaining to the preparation and separation of the atomic layers of graphene. This technological breakthrough represents a new, energy efficient and chemically efficient process to manufacture, sort and classify graphene nanoparticles, thereby resulting in the potential for large-scale production of high-grade graphene. This patent relates to graphene nanoplatelets ("GNP"). Specifically, the patent covers a new, energy efficient and chemically non-invasive process that significantly lowers the cost of preparing and separating high-quality GNPs that is only a few atomic layers thick.

1.4 RECENT HIGHLIGHTS & DEVELOPMENTS

Corporate Developments

On July 12, 2022, the Company announced the launch of a product called Breathe+ Pro Advanced Antimicrobial Graphene Air Filtration System which is now available at www.breatheplus.tech and on Amazon. The Breathe+ Pro“® Air Purifier utilizes innovative air filters that contain activated carbon with graphene oxide coating (“Graphene Filter”) developed by G6’s research team. The antiviral and antimicrobial efficacy of the Breathe+ Pro“® Air Purifier was verified by independent testing conducted by The Intertek Group plc ("Independent Lab Test”) and accordingly the Breathe+ Pro Air Purifier equipped with Graphene Filter removed 99.9% of the pathogenic microorganisms (model viruses and bacteria) over the duration of the test.

During August 2022, the Company’s auditors changed from Manning Elliott LLP to MNP LLP.

On September 29, 2022, the Company applied for, and was granted, a management cease trade order (“MCTO”) under National Policy 12-203 – Management Cease Trade Orders ("NP 12-203"). The Company needed additional time in order for MNP LLP to complete their year-end audit of the Company’s financial statements.

On October 26, 2022, the Company completed and reported its year-end audited financial statements on SEDAR.

On December 6, 2022 the Company Graphene Laboratories Inc. (“**GLI**”), has entered into a Strategic Partnership Agreement (the “**SPA**” or the “**Agreement**”) with Singapore-based MADE Advance Materials PTE LTD. (“**MADE**”). The Agreement encapsulates the collaboration between GLI and MADE which is focused on production collaboration and the potential joint development of intellectual property (“**Joint IP**”). MADE and GLI intend to explore the possibility of using the fibre composites with graphene-enhanced resin (the **Collaborative Project**”) as necessary to meet specific terms provided by a third-party client.

1.5 RESULTS OF OPERATIONS

Six-month period ended November 30, 2022 compared with the six-month period ended November 30, 2021

During the six-month period ended November 30, 2022, the Company reported a net loss of $1,559,773 (2021 - net loss of $1,181,459). The increase in net loss was primarily due to the sales mix, increased general and administrative expenses and share-based compensation. General and administrative expenses were higher due to additional costs related to the launch of the new Breath + products.

Three-month period ended November 30, 2022 compared with the three-month period ended November 30, 2021

During the three-month period ended November 30, 2022, the Company reported a net loss of $911,886 (Q2 2021 - net loss of $610,265). The increase in net loss was primarily due to the sales mix, increased general and administrative expenses and share-based compensation. General and administrative expenses were higher due to additional costs related to the launch of the new Breath + products.

Research and development expenditures are summarized as follows (expressed in US dollars, unless otherwise noted):

	Quarter ended Nov 30, 2022	Quarter ended Aug 31, 2022	Quarter ended May 31, 2022	Quarter ended Feb 28, 2022	Quarter ended Nov 30, 2021	Quarter ended Aug 31, 2021	Quarter ended May 31, 2021	Quarter ended Feb 28, 2021
R&D personnel (recovery)	24,588	25,987	12,643	29,502	25,288	26,967	(15,154)	15,132
R&D equipment and supplies	18,961	53,660	(181,266)	163,049	29,347	15,862	79,445	7,212
Patent registration expense	10,097	7,610	20,576	1,724	-	35,645	22,647	4,720
Total R&D expenses	53,646	86,557	[1](148,007)	194,275	54,635	78,474	86,938	27,064

(1) During the quarter ended May 31, 2022, the Company reversed the accrued R&D equipment and supplies of $151,600 as a result of the testing of Graphene Oxide was cancelled during the period.

1.6 SELECTED FINANCIAL INFORMATION

The following table contains selected financial information (expressed in US dollars, unless otherwise noted) for the Company for the year ended May 31, 2022 as compared to the years ended May 31, 2021 and May 31, 2020. The information set forth should be read in conjunction with the audited annual financial statements, prepared in accordance with International Financial Reporting Standards (“IFRS”), and the related notes thereon.

	Year ended May 31, 2022 $	Year ended May 31, 2021 $	Year ended May 31, 2020 $
Revenue	1,357,799	1,939,663	922,614
Gross profit	602,570	517,393	202,245
Net loss	4,736,112	1,129,816	1,014,348
Comprehensive Loss	4,938,532	938,601	1,002,112
Net loss per share	$0.04	$0.01	$0.01
Total assets	3,761,922	5,912,649	1,165,686
Total non-current financial liabilities	-	149,733	-

Non-current financial liabilities consist of the long-term portion of the finance lease obligation and deferred tax liability related to the acquisition of GLI in December 2015.

1.7 SUMMARY OF QUARTERLY RESULTS

The following table contains summary financial information (expressed in US dollars, unless otherwise noted) taken from the Company's quarterly and annual financial reports covering the last eight reporting quarters. The information set forth should be read in conjunction with the audited annual financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related notes thereon.

	Quarter ended Nov 30, 2022 $	Quarter ended Aug 31, 2022 (1) $	Quarter ended May 31, 2022 (2) $	Quarter ended Feb 28, 2022 (2) $	Quarter ended Nov 30, 2021 (3) $	Quarter ended Aug 31, 2021 (4) $	Quarter ended May 31, 2021 (5) $	Quarter ended Feb 28 2021 (6) $
Revenue	490,527	358,400	358,540	337,921	320,204	341,134	220,672	263,425
Cost of goods sold	(289,056)	(225,470)	(174,744)	(130,012)	(280,821)	(169,652)	(478,223)	(193,993)
Gross profit	201,471	132,930	183,796	207,909	39,383	171,482	(257,551)	69,432
Operating expenses	(1,113,357)	(780,817)	(539,593)	(630,009)	(649,648)	(742,676)	(642,057)	(476,373)
Other income/ (expenses)	-	-	-	-	-	-	-	83,300
Net income (loss)	(911,886)	(647,887)	(3,132,553)	(422,100)	(610,265)	(571,194)	(899,609)	(323,641)
Comprehensive income (loss)	(936,580)	(626,983)	(3,137,058)	(404,142)	(650,304)	(747,028)	(407,455)	(321,152)
Net income (loss) per share (basic and diluted)	(0.006)	(0.005)	($0.024)	($0.001)	($0.001)	($0.002)	($0.008)	($0.002)
Total assets	2,217,306	3,122,687	3,761,922	6,916,831	7,215,304	8,034,770	5,912,649	1,617,187
Shareholders' equity	1,992,407	2,872,171	3,499,906	6,457,311	6,861,453	7,538,004	5,525,214	836,567

(1) During the three-month period ended August 31, 2022, the increase in net loss was primarily due to the sales mix and increased general and administrative expenses. General and administrative expenses were higher due to the launch of the new Breath + products.

(2) The increase in gross profit for the quarter ended May 31 and February 28, 2022, was primarily due to the steady increases in sales and an improved management on the inventory and cost allocation, yet partial offset by the increase in the shipping costs as a result of the pandemic effect.

(3) The decrease in gross profit for the quarter ended November 30, 2021, was primarily due to significant increase in the shipping costs of direct materials and customer shipments mainly from the imports of air purification materials and wellness products, resulting in increasing costs of goods sold.

(4) The quarter-over-quarter increase in gross profit for the quarter ended August 31, 2021, was primarily due to the stable increase in sales yet partially offset by the increase in the shipping costs of direct materials and customer shipments mainly from the imports of air purification materials, resulting in a continual increase in costs of goods sold. Meanwhile, the Company successfully closed and completed the acquisition of GX Technologies by issuing 25,000,000 common shares, resulting in the dramatic increases in cash, total assets and equity. The period over period decline in sales and gross profit as compared to August 31, 2020 is largely attributable to the company's transition to selling its own branded products from 3rd party products and to supply chain delays in the current period which reduced the amount of product available for sale.

(5) In this quarter, the Company successfully closed and raised more than $4.3 million in connection with the private placement at a price of C$0.20 per unit, resulting in the dramatic increases in cash, total assets and equity.

The negative gross profit for the quarter ended May 31, 2021, was due to a number of factors including supply chain disruption related to the pandemic, in particular delays of the delivery of the goods from our manufacturing partners overseas during the previous quarter, resulting in a decrease in revenue. There was also an increase in the shipping costs of direct materials and customer shipments mainly from the imports of air purification materials, resulting in significant increases in cost of goods sold. Finally, in the quarter the Company recorded its annual inventory adjustment. IFRS requires that the inventory value should be recorded at the lower of cost or net realized value. The recording of this adjustment resulted in negative gross profit for the quarter.

(6) The decrease in gross profit for the quarter ended February 28, 2021, was primarily due to supply chain disruption related to the pandemic, in particular delays of the delivery of the goods from our manufacturing partners overseas during the previous quarter, resulting in decreasing in revenue. In addition, there was an increase in the shipping costs of direct materials and customer shipments mainly from the imports of air purification materials, resulting in increasing costs of goods sold.

1.8 LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2022, the Company had working capital surplus of $1,696,886 (May 31, 2022 - $3,098,206). As at November 30, 2022, cash and cash equivalents totaled $995,637 (May 31, 2022 - $2,119,429).

Cash used in operating activities during the period ended November 30, 2022 was $933,000 (2021 - $1,327,649).

Cash used in investing activities during the period ended November 30, 2022 was $28,000 (2021 - $14,450).

Cash used in financing activities during the period ended November 30, 2022 was $98,831 (2021 - $75,686), which was for the lease payments made.

As at November 30, 2022, the Company's share capital was $16,487,601 (May 31, 2022 - $16,487,601), which represented 163,679,193 issued and outstanding common shares without par value. As at November 30, 2022, warrant reserves was $125,605 (May 31, 2022 - $125,605) and contributed surplus was $3,319,123 (May 31, 2022 - $3,203,959). As at November 30, 2022, the Company's retained losses increased to $17,782,088 (May 31, 2022 - $16,222,315) due to the net loss of $1,559,773 incurred during the six-month period ended November 30, 2022.

The Company's ability to meet its administrative expenses and complete its planned research and development activities and its ramp-up of commercial operations is ultimately dependent upon management's ability to secure additional financing. While management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future.

1.9 COMMITMENTS

The Company entered into a three-year lease agreement for the Company's facilities in Ronkonkoma, New York, USA beginning on January 1, 2018 and ending on December 31, 2020, which required monthly payments of $8,000. Subsequently the Company renewed another three-year lease agreement for the Company's facilities beginning on January 1, 2021 and ending on December 31, 2023, which requires monthly payments of $8,240. Upon adoption of IFRS 16 effective in fiscal 2020, the Company recognized a right-of-use asset and a lease liability of $145,382. On November 22, 2021, the Company amended the lease agreement by increasing the month payment from $8,240 to $8,487 during the periods from January 1, 2022 to December 31, 2022. As a result, the Company made an adjustment on the leased liability of $186,848 in connection with the amendments of lease agreement for the Company's facilities in Ronkonkoma, New York, USA.

On November 23, 2021, the Company entered into another 12-month lease agreement for the expansion of Company's facilities in Cerritos, California, USA beginning on January 1, 2022 and ending on December 31, 2022, which required monthly payments of $7,985. The Company recognized a right-of-use asset and a lease liability of $192,341. The Company used a 6% discount rate, its incremental borrowing rate to calculate the present value of the future lease payments and the lease interest expense.

RIGHT-OF-USE ASSET

Cost:	**$**
Balance, May 31, 2021	417,593
Addition	192,341
Balance, May 31, 2022	609,934
Addition	-
Balance, November 30, 2022	609,934
Accumulated Amortization:	
Balance, May 31, 2021	183,189
Amortization	181,157

Adjustment on the renewal of contract	181,474
Balance, May 31, 2022	497,735
Amortization	96,171
Balance, November 30, 2022	593,906
Net Book Value:	
May 31, 2022	112,199
November 30, 2022	16,028

LEASE LIABILITY

	$
Balance, May 31, 2021	237,262
Lease interest expense	10,878
Addition	192,341
Payments	(140,039)
Adjustment on the renewal of contract	(186,846)
Balance, May 31, 2022	113,596
Lease interest expense	1,707
Payments	(98,831)
Balance, November 30, 2022	16,472
Current portion of lease liability	**16,472**
Long-term portion of lease liability	**-**

As at November 30, 2022, the Company will have future undiscounted lease payments totaling $16,472 in December 2022.

1.10 RELATED PARTIES TRANSACTIONS AND BALANCES

Key management includes directors and officers of the Company. The Company incurred the following key management compensation charges during the period ended November 30, 2022 and 2021:

	November 30, 2022	November 30, 2021
	$	$
Salaries, bonuses, fees and benefits	158,538	92,282
Share-based compensation	60,555	-
	219,094	92,282

During the year period November 30, 2022, the Company paid professional fees to companies controlled by officers, directors and spouses of officers of the Company in the amount of 71,930 (2021 - $71,949).

As at November 30, 2022, the Company had $3,451 (2021 - $3,451) receivable from a director and officer. In addition, the Company had $7,496 (2021 - $7,057) receivable from the spouse of a director and officer. The amounts receivable are unsecured, non-interest bearing and have no fixed terms of repayment.

As at November 30, 2022, the Company owed $13,449 (2021 – Nil) to companies controlled by an officer. The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

Transactions with related parties are incurred in the normal course of operation and recorded at fair value.

The amounts due to related parties are included in accounts payable and accrued liabilities.

1.11 RISKS AND UNCERTAINTIES

An investment in the Company's securities involves a high degree of risk. Potential investors should carefully consider the following information about these risks. If any of the following risks actually occurs, the business, financial condition and prospects of the Company could be materially adversely affected. In that case, the value of any securities of the Company could also decline and investors could lose all or part of their investment.

The risks and uncertainties described below are those that the Company's management believes are material, but these risks and uncertainties may not be the only ones that the Company may face. Additional risks and uncertainties, including those that management currently are not aware of or deem immaterial, may also result in decreased operating revenues, increased operating expenses or other events that could result in a decline in the value of any securities of the Company. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in Management Discussion and Analysis.

An investment in the securities of the Company is highly speculative.

<u>Risks Related to Business and Industry</u>

If the market does not develop as we expect, our products may not be accepted by the market. As such:

- there is significant competition in the Company's market, which could make it difficult to attract customers and cause the Company to reduce prices and incur lower gross margins;

- the long sales cycle for many of the Company's products makes the timing of revenues difficult to predict;

- the Company may not be able to generate operating profits;

- the Company plans to grow rapidly, which will place strains on the management team and other resources;

- the Company may not be able to hire the number of skilled employees that it needs to achieve its business plan;

- loss of key management, sales or customer service personnel could adversely affect the Company's results of operations;

- if the Company's manufacturing facilities are disrupted, sales of its products could be disrupted and the Company could incur unforeseen costs;

- global economic, political, biological and social conditions may harm the Company's ability to do business, increase its costs, and negatively affect its stock price;

- the Company may need to raise additional capital from time to time to achieve its growth strategy and may be unable to do so on attractive terms; and the Company's operating results and financial condition may fluctuate on a quarterly and annual basis.

The Company's operating results and financial condition may fluctuate due to many factors, including those listed below and those identified throughout this "Risk Factors" section:

- the development of new competitive systems or processes by others;

- the entry of new competitors into the Company's market, whether by established or new companies;

- changes in the size and complexity of the Company's organization, including its international operations;

- levels of sales of the Company's products and services to new and existing customers;

- the geographic distribution of the Company's sales;

- changes in product developer preferences or needs;

- delays between the Company's expenditures to develop, acquire or license new technologies and processes, and the generation of sales related thereto;

- the Company's ability to timely and effectively scale its business during periods of sequential quarterly or annual growth;

- limitations or delays in the Company's ability to reduce its expenses during periods of declining sequential quarterly or annual revenue;

- changes in the Company's pricing policies or those of its competitors, including its responses to price competition;

- changes in the amount the Company spends in marketing and other efforts;

- the volatile global economy;

- general economic and industry conditions that affect customer demand and product development trends;

- changes in accounting rules and tax and other laws;

- becoming subject to personal injury, property damage, product liability, warranty and other claims involving allegedly defective products that the Company supplies, which could result in material expense, diversion of management time and attention and damage to its business reputation;

- potential failure of efficacy tests and any other tests of the Company's proprietary technologies related to air purification intellectual property, products or services;

- potential failure to obtain the required accreditations for the Company's intellectual property, products or services from regulatory authorities or other agencies in the United States or other national or regional jurisdictions;

- interruptions associated with supplier-based delays or operational interruptions of manufacturing partners;

- inadequacy of insurance for potential liabilities; and

- a partially uninsured claim of significant size, which, if successful, could materially adversely affect the Company's business, financial condition, results of operations and liquidity.

<u>Risks Related to Intellectual Property</u>

The Company may not be able to obtain patent protection or otherwise adequately protect or enforce our intellectual property rights, which could impair its competitive position in the following ways:

- obtaining and maintaining the Company's patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and its patent protection could be reduced or eliminated for non-compliance with these requirements;

- the Company may incur substantial costs defending against third-party infringement claims as a result of litigation or other proceedings; and

- the failure to expand the Company's intellectual property portfolio could adversely affect the growth of its business and results of operations.

<u>Risks Related to COVID-19</u>

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company continues to closely monitor developments in the novel coronavirus ("COVID-19") pandemic, including the potential impact on the Company's operations. The impact of COVID-19 is uncertain and COVID-19 could have a significant impact on the Company if G6 or its suppliers are not able to maintain operations.

1.12 OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares with no par value. As at the date of this MD&A, the following common shares, options and share purchase warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	163,679,193		
Warrants	14,476,000	C$0.30	April 12, 2023
Stock Options	3,900,000	C$0.08	October 14, 2025
	6,900,000	C$0.10	March 16, 2027
Fully Diluted at January 30, 2023	**174,479,193**		

OTCQB Listing

The Company has been verified to trade on OTCQB®, the venture marketplace for entrepreneurial and development stage companies operated by OTC Markets Group (OTCQX: OTCM) and began trading October 7, 2014. Euro Pacific Capital, Inc. is a qualified Principal American Liaison (“PAL”) and has submitted a Letter of Introduction for the Company in accordance with the standards for trading on OTCQB.

1.13 OPERATING SEGMENTS

The Company operates in one reportable segment – the research, development and manufacturing of graphene-enhanced materials. Substantially all the Company’s revenue was generated in the U.S. and all capital assets are located in the U.S.

1.14 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Share-based compensation

Share-based compensation is subject to the estimation of the fair value of the award at the date of grant using the Black-Scholes pricing model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeitures.

Estimated useful lives of long-lived assets and intangible assets

Management reviews the useful lives of intangible and depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to website content and application and technology development.

Identification and valuation of intangible assets acquired in business combinations

In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management, with assistance from an independent valuation expert where necessary, develops the fair value using appropriate valuation techniques which are based on a forecast of the total expected future net cash flows. In determining the fair value of the intangible assets at the acquisition date, the Company's significant assumptions include the future net cash flows and the discount rate applied.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for no more than one year from the acquisition date.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, which includes intangible assets, are reviewed at each reporting date to determine whether there are any events or changes that are indicators of impairment. If such an indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together in the smallest group of assets that generate cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs to sell. In assessing value in use, future discounted cash flows are estimated. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of loss. The Company evaluates impairment losses for potential reversals (other than goodwill) when events or circumstances warrant such consideration.

Right-of-use assets and lease liability incremental borrowing rate

The Company has applied estimates for the incremental borrowing rate used in lease analysis, which significantly affects the amount of lease liability and right-of-use assets recognized.

Provision for expected credit losses ("ECLs")

The Company performs impairment testing annually for trade receivables in accordance with IFRS 9. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Inventory

The Company's inventory is measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overhead costs.

An allowance for obsolete or slow-moving inventories is made where necessary. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Judgements

The key areas of judgement that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Right-of-use assets and lease liability

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options, which significantly affects the amount of lease liability and right-of-use assets recognized.

Determination of functional currency

The Company gives priority to the considerations outlined in IAS 21 when determining functional currencies of its entities based on which currency most faithfully represents the economic effects of the underlying transactions and events.

Determination of CGUs

The Company gives priority to the considerations outlined in IAS 36 when determining CGUs based on the smallest identifiable group of assets that generate cash inflows largely independently of other assets or groups of assets.

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable income will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from this process impacts the amount of the deferred tax assets management judges is probable.

1.15 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, trade accounts receivable, accounts payable and loan payable.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

The following table sets for the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash and cash equivalents	995,637	-	-	995,637

The Company has determined that the carrying values of its trade accounts receivable, accounts payable and loan payable approximate their fair value due to the short-term maturities of these financial instruments.

i) Credit risk

Credit risk is the risk of financial loss to the Company if counter-party to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its cash and cash equivalents with large United States and Canadian chartered banks. The Company manages credit risk for trade and other receivables through established credit monitoring activities. As at November 30, 2022 and 2021, the Company's maximum exposure to credit risk is the carrying value of cash and cash equivalents and trade accounts receivable.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. As at November 30, 2022 and 2021, the Company is not exposed to significant interest rate risk.

iii) Currency risk

The Company has transactions internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from financing and purchase transactions that are denominated in currency other than the US Dollar, which is the functional currency of the Company. As at November 30, 2022, the Company held US$368,140 (May 31, 2022 – C$1,647,573) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by $36,814 (May 31, 2022 - $164,757).

iv) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at November 30, 2022, the Company had a working capital surplus of $1,696,886.

As at November 30, 2022	**Up to 1 year**	**1 - 5 years**	**Total**
Accounts payable	208,427	-	208,427
Lease liability	16,472	-	16,472
	224,899	-	224,899

APPROVAL

The Board of Directors of G6 has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information related to G6 is on SEDAR at www.sedar.com and the Company's website http://www.G6-Materials.com.