

G6 MATERIALS CORP.

Management Discussion and Analysis For the period ended November 30, 2023

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 period ended November 30, 2023 and 2022. The following information should be read in conjunction with the condensed interim consolidated financial statements and notes for the period ended November 30, 2023, 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 29, 2024.

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. were 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, USA.

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1.2 COMPANY OVERVIEW (CONTINUED)

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 former President & Co-CEO, and Elena Polyakova, Ph.D., the former Co-CEO. 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 seven patents granted, two Notices of Allowances issued by USPTO and five patents pending. 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:

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1.3 NATURE OF BUSINESS (CONTINUED)

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. In particular, the Company developed and launched the “Breathe+”® air purifier and consumable air filter enhanced with graphene oxide and manufacturing according to the Company’s proprietary technology. The Company engaged an independent testing laboratory to perform various microbial tests of the air purifier being developed, which were announced as having a 99.9% efficacy rate against randomly selected pathogenic microorganisms.

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, mechanical and thermal 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 abroad. 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/>

Precious Metal Extraction

The company acquired GX Technology LLC, that has been developing of using graphene composite materials for precious metal extraction. The Company continued the research and development in this field. The U.S. Patent Application No. 63/375,122, was filed summarizing these technological developments. The Company will be continuing and expanding the research work in this area.

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1.3 NATURE OF BUSINESS (CONTINUED)

R&D Materials

Graphene Supermarket (Graphene R&D Materials): The Company's suite of graphene products and various substrates 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.

The Company's IP Portfolio.

The Company is constantly working on the development of new technology and on expanding its Intellectual property portfolio. At the moment the company has seven US patents issued, two patent applications that received a Notice of allowance and three patent applications pending. The company's IP portfolio covers a variety of technological fields including the methods and recipes for materials related to 3D Printing, composite materials and use of graphene heat recovery in cryptocurrency mining. In particular, Patent US 11,104,577 was granted and it is 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.

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 October 26, 2022, the Company completed and reported its year-end audited financial statements on SEDAR, and rectified the management cease trade order.

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.

On April 12, 2023, 14,476,000 unexercised share purchase warrants expired.

Mr. Rob Scott resigned as Chief Financial Officer on May 26, 2023.

Mr. Guy Bourgeois was appointed as a director of the Company on May 29, 2023.

Mr. Jeff Dare resigned as the Corporate Secretary on May 26, 2023.

Mr. Kevin Cornish was appointed as Chief Financial Officer and Corporate Secretary of the Company effective May 30, 2023.

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1.4 RECENT HIGHLIGHTS & DEVELOPMENTS (CONTINUED)

Corporate Developments (Continued)

Mr. Anastios Arimo resigned from the board of directors on May 31, 2023.

On October 26, 2023 the Company announced that the independent members of its Board of Directors have appointed Mr. Kevin Cornish as Interim Chief Executive Officer of the Company in addition to his current role as the Company's Chief Financial Officer. The Company also announced the termination of Daniel Stolyarov as President, Chief Technology Officer and Co-Chief Executive Officer of the Company. Daniel Stolyarov resigned as director of the Company effective December 12, 2023. The Company's other Co-CEO, Elena Polyakova, agreed to become its Chief Operating Officer.

Elena Polyakova was terminated as Chief Operations Officer, and resigned as director and audit committee member effective January 4, 2024.

Mr. Kevin Cornish was appointed director of the Company effective January 5, 2024.

Mr. Guy Bourgeois was appointed as CEO of the Company effective January 16, 2024 and Kevin Cornish resigned as Interim CEO.

Mr. Michael Saxon was appointed as director of the Company effective January 16, 2024.

On July 12, 2023, the Company consolidated all of its issued and outstanding common shares on the basis of every 10 old common shares into one new common share.

On August 8, 2023, the Company granted 720,000 stock options (the "Options") to acquire 720,000 common shares of the Company at an exercise price of \$0.16 per share until August 8, 2028. Of the options granted, 135,000 options vest over three years in four equal instalments as follows: 25% available upon grant, 25% on the first anniversary, 25% on the second anniversary, and 25% on the third anniversary. The remaining 585,000 of the options vest immediately.

On December 12, 2023, the resolution to authorize and approve the 10% rolling stock option plan of the Company was approved by a majority of votes cast by the shareholders who voted in respect of the resolution at the Company's annual general and special meeting of shareholders.

On December 14, 2023, the Company proposed a non-brokered equity financing to raise up to \$1,000,000 through the offering of up to 10,000,000 units at a price of \$0.10 per unit. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional share of the Company at an exercise price of \$0.25 for a period of three years from the closing date of the offering. As of the date of these condensed interim consolidated financial statements, the offering has not been completed.

1.5 RESULTS OF OPERATIONS

Period ended November 30, 2023 compared with the period ended November 30, 2022

During the period ended November 30, 2023, the Company reported a net loss of \$863,900 compared to a net loss of \$1,559,773 in 2022. The decrease in net loss was primarily the result of a decrease in expenses to \$942,218 from \$1,894,174 in the comparative period.

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1.5 RESULTS OF OPERATIONS (CONTINUED)

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

	Quarter ended Nov 30, 2023	Quarter ended Aug 31, 2023	Quarter ended May 31, 2023	Quarter ended Feb 28, 2023 ⁽¹⁾	Quarter ended Nov 30, 2022 ⁽¹⁾	Quarter ended Aug 31, 2022 ⁽¹⁾	Quarter ended May 31, 2022 ⁽²⁾	Quarter ended Feb 28, 2022 ⁽³⁾
R&D personnel	29,061	29,502	25,317	29,502	24,558	25,987	12,643	29,502
R&D equipment and supplies	1,525	830	20,216	9,220	18,961	53,660	(181,266)	163,049
Patent registration expense	-	-	23,051	-	2,487	7,610	20,576	1,724
Total R&D expenses	30,586	30,332	68,584	38,722	46,006	87,257	(148,007)	194,275

⁽¹⁾ Patent registration expenses decreased during the first three quarters of fiscal 2023 as the Company was granted patents that were previously in progress.

⁽²⁾ 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 that was cancelled during the period.

⁽³⁾ During the quarter ended February 28, 2022, the Company increased its expenditures on R&D equipment and supplies expense primarily due to the preparation for expansion into new product lines.

1.6 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. The Company has reclassified certain fulfillment fees in fiscal 2022 from general and administrative costs to conform with current period presentation. These costs were immaterial in 2022.

	Quarter ended Nov 30, 2023 ⁽¹⁾	Quarter ended Aug 31, 2023 ⁽²⁾	Quarter ended May 31, 2023 ⁽³⁾	Quarter ended Feb 28, 2023 ⁽⁴⁾	Quarter ended Nov 30, 2022 ⁽⁵⁾	Quarter ended Aug 31, 2022 ⁽⁶⁾	Quarter ended May 31, 2022 ⁽⁷⁾	Quarter ended Feb 28, 2022 ⁽⁷⁾
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	298,022	320,907	330,301	370,646	490,527	358,400	358,540	337,921
Cost of goods sold	(307,264)	(233,347)	(281,894)	(316,426)	(529,994)	(225,470)	(174,744)	(131,175)
Gross profit	(9,242)	87,560	48,407	54,220	(39,467)	132,930	183,796	206,746
Operating expenses	(427,712)	(514,506)	(765,216)	(500,746)	(872,419)	(780,817)	(539,593)	(628,846)
Other income/ (expenses)	-	-	-	-	-	-	-	-
Net loss	(436,954)	(426,946)	(716,809)	(446,526)	(911,886)	(647,887)	(3,132,553)	(422,100)
Comprehensive loss	(437,702)	(433,924)	(782,840)	(447,044)	(936,580)	(626,983)	(3,137,058)	(404,142)
Net loss per share (basic and diluted)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.06)	(\$0.05)	(\$0.25)	(\$0.04)
Total assets	832,321	1,129,035	1,441,003	1,856,490	2,217,306	3,122,687	3,761,922	6,916,831
Shareholders' equity	178,811	611,106	971,458	1,602,078	1,992,407	2,872,171	3,499,906	6,457,311

⁽¹⁾ During the quarter ended November 30, 2023, the net loss remained consistent with prior quarter as the Company continued with reduced expenditures to preserve cash. Revenues remained relatively consistent to August 31, 2023 with a reduction of \$22,885. During November 30, 2023, the Company's gross margin decreased to \$9,242 from \$87,560 in the previous quarter as a result of an increase in cost of goods sold. The increase in cost of goods sold was partially due to liquidations of inventory, increases in Amazon fulfillment fees and an increase in the cost of materials during Q2. The decrease in assets during fiscal 2024 was primarily due to a reduction in cash.

⁽²⁾ During the quarter ended August 31, 2023, the decrease in net loss was primarily due to a decrease in operating expenses, cost of goods sold, particularly general and administrative expenses, marketing and research and development. The Company reduced expenditures to preserve cash. Revenues remained relatively consistent to May 31, 2023 with a small reduction of \$9,394, quarter over quarter. During August 31, 2023, the Company's gross margin improved to \$87,560 from \$48,407 in the previous quarter.

⁽³⁾ During the quarter ended May 31, 2023, the increase in net loss was primarily due to an increase in operating expenses, particularly salaries and wages and share-based compensation.

⁽⁴⁾ The decrease in net loss was primarily due to favorable product sales mix and lower general and administrative and professional fees expenses.

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1.6 SUMMARY OF QUARTERLY RESULTS (CONTINUED)

⁽⁵⁾ The increase in cost of goods sold and decrease in gross profit during the quarter ended November 30, 2022 compared to the quarter ended August 31, 2022 was primarily the result of an increase in fulfillment fees.

⁽⁶⁾ The increase in net loss during the quarter ended August 31, 2022 compared to previous quarters 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 Breathe+ products.

⁽⁷⁾ The increase in gross profit for the quarter ended May 31, 2022 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. The increase in net loss for the quarter ended May 31, 2022, related to a \$2,776,756 impairment of the GX Technologies, LLC intangible assets recorded during the quarter.

1.7 LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2023, the Company had working capital deficit of \$40,300 (May 31, 2023 - \$669,079). As at November 30, 2023, cash and cash equivalents totaled \$48,827 (May 31, 2023 - \$390,440). The Company has used cash from the recent sales of goods and previous financings for operations which has resulted in a decrease in cash and equivalents and working capital.

Cash used in operating activities during the period ended November 30, 2023 was \$276,607 (2022 - \$933,000). Cash used in investing activities during the period ended November 30, 2023 was \$4,345 (2022 - \$28,000). Cash used in investing activities in 2023 and 2022 are related to the purchase of equipment. Cash spent from financing activities during the period ended November 30, 2023 was \$52,753 (2022 - \$98,831). The main use of funds for financing activities was the payment of principal of lease payments and the payment of share issuance costs.

As at November 30, 2023, the Company's share capital was \$16,487,601 (May 31, 2023 - \$16,487,601), which represented 16,367,919 issued and outstanding common shares without par value. As at November 30, 2023 and May 31, 2023, warrant reserves was \$Nil and contributed surplus was \$3,672,642 (May 31, 2023 - \$3,593,663). As at November 30, 2023, the Company's retained losses increased to \$19,809,323 (May 31, 2023 - \$18,945,423) due to the net loss of \$863,900 (2022 - \$1,559,773) during the period ended November 30, 2023.

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.

1.8 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 monthly 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 lease liability of \$186,848 in connection with the amendments of the lease agreement for the Company's facilities in Ronkonkoma, New York, USA. The Company's internal borrowing rate was 6%. On December 2, 2022, the Company amended the lease agreement by increasing the monthly payment to \$8,793. As a result, the Company increased the lease liability of \$102,670 in connection with the amendments of the lease agreement for the Company's facilities in Ronkonkoma, New York, USA.

Upon the expiry of the lease on December 31, 2023, the Company extended the lease for three additional years until December 31, 2026. Pursuant to the extension the Company is required to pay rent of \$9,400.00 per month.

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. The lease was not renewed upon expiration on December 31, 2022.

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1.8 COMMITMENTS (CONTINUED)

RIGHT-OF-USE ASSET

	\$
Cost:	
Balance, May 31, 2022	609,934
Addition	102,670
Balance, May 31, 2023 and November 30, 2023	712,604
Accumulated Amortization:	
Balance, May 31, 2022	497,735
Amortization	154,979
Balance, May 31, 2023	652,714
Amortization	51,334
Balance, November 30, 2023	704,048
Net Book Value:	
May 31, 2023	59,890
November 30, 2023	8,556

LEASE LIABILITY

	\$
Balance, May 31, 2022	113,596
Lease interest expense	3,636
Addition	102,670
Payments	(159,267)
Balance, May 31, 2023	60,635
Lease interest expense	911
Payments	(52,753)
Balance, November 30, 2023	8,793
Current portion of lease liability	8,793
Long-term portion of lease liability	-

1.9 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, 2023 and 2022:

	2023	2022
	\$	\$
Salaries, bonuses, fees and benefits	221,939	158,538
Share-based compensation	53,982	60,555
	275,921	219,093

The Company had the following transactions with related parties:

As at November 30, 2023, the Company owed \$315,465 (May 31, 2023 – \$94,759) to related parties. The amounts due are unsecured, non-interest bearing and have no fixed terms of repayment.

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

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1.10 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 occur, 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.

Risks Related to Business and Industry

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;

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1.10 RISKS AND UNCERTAINTIES (CONTINUED)

- 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.

Risks Related to Intellectual Property

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.

1.11 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	16,367,919		
Stock Options	210,000	C\$0.80	October 14, 2025
	320,000	C\$1.10	March 16, 2027
	720,000	C\$0.16	August 8, 2028
Fully Diluted as of the filing date of this MD&A	17,617,919		

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.

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1.12 OPERATING SEGMENTS

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

1.13 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 the 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 estimated 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 include 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 and comprehensive loss. The Company evaluates impairment losses for potential reversals (other than goodwill) when events or circumstances warrant such consideration.

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1.13 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimates (Continued)

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.

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1.13 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgments (Continued)

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.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, trade accounts receivable, accounts payable and accrued liabilities 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	48,827	-	-	48,827

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

Credit risk is the risk of financial loss to the Company if counterparty 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 accounts receivable through established credit monitoring activities. As at November 30, 2023, the Company's maximum exposure to credit risk is the carrying value of cash and cash equivalents and 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, 2023 and May 31, 2023, the Company is not exposed to significant interest rate risk.

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1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS (CONTINUED)

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, 2023, the Company held C\$2,406 (May 31, 2023 - C\$206,711) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by \$28,919 (2022 - \$36,814).

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, 2023, the Company has cash and cash equivalents of \$48,827 and a working capital surplus of \$40,300.

As at November 30, 2023	Up to 1 year	1 - 5 years	Total
Accounts payable and accrued liabilities	644,717	-	644,717
Current portion of lease liability	8,793	-	8,793
	653,510	-	653,510

iv) Liquidity risk (continued)

As at May 31, 2023	Up to 1 year	1 - 5 years	Total
Accounts payable and accrued liabilities	408,910	-	408,910
Current portion of lease liability	60,635	-	60,635
	469,545	-	469,545

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.sedarplus.ca and the Company's website <http://www.G6-Materials.com>.