G6 MATERIALS CORP.

(formerly Graphene 3D Lab Inc.)

Management Discussion and Analysis
For the year ended May 31, 2020

This Management Discussion and Analysis ("MD&A") of G6 Materials Corp. (the "Company" or "G6"), formerly Graphene 3D Lab Inc. provides analysis of the Company's financial results for the year ended May 31, 2020 and 2019. The following information should be read in conjunction with the consolidated financial statements and notes for the year ended May 31, 2020, 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 Discussion, 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 a number of 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, among others, risks related to Graphene 3D's proposed business such as failure of the business strategy, stable supply prices, demand and market prices for 3D printing products, and government regulation; risks related to Graphene 3D's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to Graphene 3D 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 September 28, 2020.

1.2 COMPANY OVERVIEW

G6 Materials Inc. formerly 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., 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 Graphene 3D.

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

1.3 NATURE OF BUSINESS

The Company is in the business of developing, manufacturing, and marketing proprietary composites and coatings based on graphene and other advanced materials. Its target industries include but not limited to aerospace, automotive, healthcare, marine, medical prosthetics and various branches of the military.

The Company currently has nine US patent applications pending, and three patents granted. The patent applications and the granted patents cover technology for graphene manufacturing and applications as well as non-graphene related technology.

In early 2020, the Company shifted its primary strategic focus to pursuing the large market opportunity presented 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 client list in excess of 12,000 customers worldwide, including nearly every Fortune 500 technology company and major research university. Some of the Company's notable past clients are: NASA, Ford Motor Co., GE, Apple, Xerox, Samsung, Harvard University, IBM and Stanford University. In addition, the Company produces a variety of materials for 3D printing, is engaged in developing high performance composites as well as methods of producing fine chemical formulations 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 proof-of-concept to allow for a low-energy, chemical-free manufacture that is designed to achieve a high-grade graphene material at a low expected cost for the industry. The Company has begun planning a two-phased development program to advance this manufacturing process from a bench-top prototype to a large-scale manufacturing operation.

More specifically, the Company operates in the following areas:

R&D Materials

Graphene Supermarket (R&D Graphene Materials): The Company's suite of graphene products is available online at the company's e-commerce platform Graphene Supermarket (www.graphene-supermarket.com). Graphene 3D is a world leader in the development, manufacturing and marketing of graphene and other 2D crystals as well as composites based on these nanomaterials. These diverse materials have a wide spectrum of commercial, research and military applications.

High Performance Composites

The Company is in the business of development advanced composites formulation based on graphene additives. The graphene additives developed by the Company are used to improve performance of the fiber composite laminates including the carbon fiber and fiberglass composites. Such composites are used in various industries including, construction, automotive, aerospace. In particular, the Company has developed formulations for carbon fiber and fiberglass laminated composites to be used for making marine vessels and structures. As compared to the composite materials commonly used for shipbuilding, the laminated composited enhanced with graphene, has much better fatigue resistance, better shock absorbent properties and lower water absorption resulting to resilience toward the harsh sea water environment and longer service life

Air Purification and Hygiene Products

In early 2020, the Company shifted its primary strategic focus to pursuing the large market opportunity presented 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 has filed a provisional patent application No. 63/021,996 that covers the method of manufacturing the graphene oxide based antiviral coating. At the moment, the Company is working on the commercialization of this technology and developing a consumer product based on this idea.

Conductive Epoxies

The Company's recent focus has been on developing the best in conductive epoxy systems. Through research and development, it has been able to create innovative, new products with unique properties by using a proprietary mix of high-performance carbon fillers to achieve superb electrical and mechanical properties for electrically conductive epoxies. The Company's specialty adhesive epoxies are well suited for use in aerospace, automotive industries, electronics and communication etc. Adhesive materials produced by the company are distributed under the G6-Epoxy™ trade name and can be purchased at: https://g6-epoxy.com/.

Fine Chemicals *(for Advanced Manufacturing and Drug Discovery)*

ChemApproach is a worldwide supplier of a wide variety of building blocks, many of which are unique, to R&D facilities in the pharmaceutical, agriculture and biotechnology industries, as well as to academic institutions and various technology companies. Its professional team of PhD chemists holds many years of experience in the design, development and implementation of industrial projects, as well as experience in synthetic organic chemistry. The division's main expertise lies in the introduction of the various substituents to aromatic rings, a large variety of functional group transformations and a selective incorporation of halogens in organic molecules, particularly, iodine. These classes of organic molecules have a wide range of applications in drug design, biochemistry, polymer chemistry, electronics, hi-tech and petrochemicals. The website for this subsidiary is: https://chemapproach.com/

3D Printing Materials

The 3D printing division of the Company offers a portfolio of 3D printable filaments including a portfolio of specialty fused filament fabrication filaments. These materials can be purchased through multiple distribution networks worldwide or directly from the web-store at: www.blackmagic3D.com

Graphene Manufacturing Process Patent

The Company filed a non-provisional patent pertaining to the preparation and separation of atomic layers of graphene. This technological breakthrough represents a new, energy- and chemically-efficient process to manufacture, sort and classify graphene nanoparticles 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 GNP that is only a few atomic layers thick. The application claims priority to provisional application No. 62/058,313, filed on October 1, 2014.

1.4 HIGHLIGHTS OF EVENTS OCCURING DURING AND SUBSEQUENT TO MAY 31, 2020

Corporate Developments

On May 31, 2019, the Company entered into a Research and Development Agreement ("R&D Agreement") with a Singaporean company ("Partner") to develop a graphene-based composite material to be used in manufacturing of marine vessels.

For the scope of this Agreement, the Company will complete research to develop a graphene-based additive for the resin that is routinely used in manufacturing marine vessels and marine structures. The goal of this research project is to use the unique properties of graphene to improve the performance of the glass and carbon fiber composites that are used in the harsh marine environment.

In October 2019, US Patent Office granted a patent No. US 10,472,313 for the Process for Synthesizing Trifluoroketones. The Patent secures the Company's IP rights used in the procedure (the "Technology") for producing a certain class of trifluoroketones, which are chemical compounds used in drug manufacturing. The Technology is designed to produce high-quality intermediate used in making a certain active pharmaceutical ingredients ("API") that are free from toxic byproducts, which can otherwise appear when using alternative methods.

On February 12, 2020, the Company entered into a new green-energy project that is a collaboration with Gilman Industries LLC ("Gilman Industries"). The objective of the project was to develop a new generation of Evolve™, a proprietary hydrogen generator that produces hydrogen by splitting water with an electric current. During the project, G6 is expected to develop a robust graphene-based material for electrodes within the hydrogen generator.

On April 1, 2020, the Company's Research & Development has developed a solution for air purification products that are designed to mitigate the threat of virus infection in confined spaces such as offices and industrial warehouses. There is substantial scientific evidence of antiviral and antibacterial effectiveness of graphene coatings. The Company has found a unique method to incorporate graphene in the air filtration systems making them more efficient in killing germs. To secure the IP rights for this method, the company filed a provisional patent application No. 63/021,996 The Company is currently conducting internal testing and will subsequently apply for appropriate accreditations.

Financial Update

On February 21, 2019, the Company completed the Technology Transfer Agreement (the "agreement") with a multinational manufacturer for producing advanced materials including pharmaceutical, packing, household and several industrial materials. As per the final Agreement commitments, the Company received royalty payments of $202,500 in total for this production campaign.

On March 26, 2019, the Company closed a non-brokered private placement financing issuing 4,916,760 units at a price of C$0.06 per unit for gross proceeds of $220,384 (C$295,006). Each unit consist of one common share and one common share purchase warrant. Each unit entitles the holder to purchase one additional common share at a price of C$0.10 for a period of two years.

On May 31, 2019, the Company entered into Research and Development Agreement (the "R&D Agreement') with a private Singaporean company ("Partner") to develop a graphene-based composite material for marine vessel applications for two years. As per the R&D agreement, the Company received a total of SGD$161,400 (USD$117,540) upon completion of the Project. On July 18, 2019, the Company received a payment of SGD$96,900 (USD$70,524) from its Partner for the successful work performed during the first phases of the Agreement.

On October 15, 2019, the Company closed a non-brokered private placement financing issuing 4,240,000 units at a price of C$0.05 per unit for gross proceeds of $160,472 (C$212,000). Each unit consist of one common share and one common share purchase warrant. Each unit entitles the holder to purchase one additional common share at a price of C$0.12 for a period of two years.

On May 5, 2020, the Company closed a non-brokered private placement financing issuing 14,300,001 units at a price of C$0.07 per unit for gross proceeds of $713,369 (C$1,001,000). Each unit consists of one common share and one common share purchase warrant. Each unit entitles the holder to purchase one additional common share at a price of C$0.12 for a period of two years.

On June 23, 2020, the Company entered into a License and Option Agreement (the "Agreement") with a US-based clinical-stage biopharmaceutical company (the "Partner"). As per the Agreement, the Company will receive a one-time cash payment of $220,000 by granting the Partner an exclusive license to use the Intellectual Property ("IP") for a period of two years (the "License Period"). Furthermore, the Partner will also have an option to purchase the Company's IP rights for an incremental US$1,000,000 during the License Period.

1.5 RESULTS OF OPERATIONS

Year ended May 31, 2020 compared with the year ended May 31, 2019

During the year ended May 31, 2020, the Company reported a net loss of $1,014,348 compared to a net loss of $599,373 in 2019. The increase in net loss was primarily the result of the increases in cost of goods sold, professional fees, travel expenses and the amortization of leased asset due to the new adoption of IFRS 16 by recognizing the right-of-use asset and amortization the value of lease quarterly, whereas there is no such amortization expense in 2019.

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

	Quarter ended May 31, 2020	Quarter ended Feb.29, 2020	Quarter ended Nov.30, 2019	Quarter ended Aug 31, 2019	Quarter ended May 31, 2019	Quarter ended Feb. 28, 2019	Quarter ended Nov. 30, 2018	Quarter ended Aug 31, 2018
Research personnel	8,023	9,231	10,769	9,231	10,769	18,462	30,409	27,115
Research and development equipment and supplies	438	724	2,831	3,292	7,346	958	7,219	16,285
Patent registration expense	15,285	1,786	12,829	-	10,397	-	3,300	802
Total research and development expenses	(1)23,746	(1)11,741	(2)26,429	12,523	28,512	19,420	40,928	44,202

(2) During the quarter ended May 31, and February 29, 2020, the Company continued its cost reduction efforts that were initiated several quarters previously. As a result, the costs of R&D personnel and related equipment and supplies continued to decrease as the Company focused its efforts on revenue generating activities.

(3) During the quarter ended November 30, 2019, the Company increased its expenditures on R&D personnel and related equipment and supplies to capitalize on the opportunity presented by the R&D Agreement that the Company entered into with a private Singaporean company ("Partner") to develop graphene-based composite material for marine vessel applications.

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, 2020 as compared to the years ended May 31, 2019 and 2018. 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, 2020 $	Year ended May 31, 2019 $	Year ended May 31, 2018 $
Revenue	922,614	946,834	909,512
Gross profit	202,245	592,964	617,683
Net loss	1,014,348	599,373	1,064,075
Comprehensive Loss	1,002,112	601,565	1,046,521
Net loss per share	$0.01	$0.01	$0.02
Total assets	1,165,686	1,066,851	1,481,232
Total non-current financial liabilities	-	24,000	56,525

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 summary information is taken from the Company's quarterly and annual financial reports covering the last eight reporting quarters.

	Quarter ended May 31, 2020 (1) $	Quarter ended Feb.29, 2020(2) $	Quarter ended Nov.30, 2019 $	Quarter ended Aug 31, 2019 $	Quarter ended May 31, 2019 $	Quarter ended Feb 28, 2019 $	Quarter ended Nov. 30, 2018 $	Quarter ended Aug 31, 2018 $
Revenue	(406,684)	(169,237)	(150,765)	(195,928)	(206,609)	(305,790)	(224,898)	(209,537)
Cost of goods sold	365,059	104,636	128,215	122,459	(5)13,851	69,648	201,218	96,855
Gross (profit) loss	(41,625)	(64,601)	(3) (22,550)	(4) (73,469)	(220,460)	(236,142)	(7) (23,680)	(112,682)
Operating expenses	327,385	292,789	366,501	253,918	337,404	274,137	315,736	297,585
Net loss	261,760	228,188	343,951	180,449	171,319	(6)48,905	292,056	184,903
Comprehensive Loss	251,168	226,213	343,996	180,735	72,212	49,279	293,917	186,157
Net loss per share (basic and diluted)	$0.002	$0.003	$0.005	$0.002	$0.001	$0.001	$0.004	$0.003
Total assets	1,165,686	740,029	896,299	1,057,297	1,066,851	990,233	1,097,499	1,278,168
Shareholders' equity	716,600	254,399	480,612	664,136	844,871	696,699	745,978	1,039,895

(1) The increase in revenue and gross profit for the quarter ended May 31, 2020, in comparison with the previous quarters, was primarily due to a new source of demand for the Company's air purification products as driven by the global coronavirus pandemic. While there was significant growth in revenue the net loss was in line with previous quarters due to the fact that these are relatively low margin products.

(2) The sales and gross profit for the quarter ended February 29, 2020, in comparison with the previous quarters, was somewhat lower partially due to the reduced demand for its some of its core products as a result of the closure of many universities around the world. The net loss was roughly in line with that of previous quarters due to staffing reductions implemented by the company in anticipation of the slowdown.

(3) The decrease in gross profit for the quarter ended November 30, 2019, was primarily due to certain projects that were ended 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 due to the deficiency in production, resulting in increasing costs of goods sold.

(4) The decrease in gross profit for the quarter ended August 31, 2019 was primarily due to certain projects that were ended during the quarter, resulting in decreasing in revenue. In addition, there was an increase in the shipping costs of direct materials and customer shipments, resulting in increasing costs of goods sold.

(5) The decrease in costs of goods sold for the quarter ended May 31, 2019 was primarily due to the Company continuing to utilize the previously expensed raw materials inventory and extra non-inventory items, resulting in a higher gross margin in comparison with other previous quarters.

(6) The decrease in net loss for the quarter ended February 28, 2019 was primarily due to an increase in revenue and lower cost of goods sold by utilizing the previously expensed raw materials inventory and extra non-inventory items. Meanwhile, the Company reduced expenses in the areas of research and development and general and administration from cost-saving initiatives.

[7] The decrease in gross profit for the quarter ended November 30, 2018 was primarily due to the liquidation of a large portion of the 3D printing filament inventory to make room for the installation of new equipment for upcoming projects.

There were no significant variations in other operating expenses.

1.8 LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2020, the Company had working capital surplus of $335,273 (2019 – working capital surplus $416,759).

As at May 31, 2020, cash and cash equivalents totaled $561,711 (2019 - $100,169). The Company has generated additional funds from the recent financing.

Cash used in operating activities during the year ended May 31, 2020 was $404,543 (2019 - $528,393).

Cash spent in investing activities during the year ended May 31, 2020 was $nil (2019 –$16,636). As at May 31, 2020, the Company's net assets totalled $716,600 (2019 - $844,871).

Cash generated from financing activities during the year ended May 31, 2020 was $861,841 (2019 – $220,384). The main contributor was that the Company closed a non-brokered private placement financing by issuing 14,300,001 units at a price of C$0.07 per unit for gross proceeds of $713,369 (C$1,001,000), and obtaining a loan of 83,300 from a third party; yet partially offset by the principal lease payments.

As at May 31, 2020, the Company's share capital at $8,299,942 (2019 - $7,426,101), which represented 96,908,575 issued and outstanding common shares without par value.

As at May 31, 2020, warrant reserves and contributed surplus also remained the same as at May 31, 2019 at $33,946 and $2,821,938, respectively.

As at May 31, 2020, the Company's retained losses increased to $10,356,387 (May 31, 2019 - $9,342,039) as the result of net loss during the period of $1,014,348.

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 adopted IFRS 16, Leases as of June 1, 2019 using the modified retrospective approach with measurement of the right-of-use asset at an amount equal to the present value of the future lease payments.

The Company entered into a three-year lease agreement for the Company's facilities beginning on January 1, 2018 and ending on December 31, 2020 which requires monthly payments of $8,000. Upon adoption of IFRS 16, the company recognized a right-of-use asset and a lease liability of $145,382. 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, 2019	-
Recognition upon adoption of IFRS 16	145,382
Balance, February 29, 2020	145,382
Accumulated Amortization:	
Balance, May 31, 2019	-
Amortization	91,820
Balance, May 31, 2020	91,820
Net Book Value:	
May 31, 2019	-
May 31, 2020	53,562

LEASE LIABILITY

	$
Balance, May 31, 2019	-
Recognition upon adoption of IFRS 16	145,382
Lease interest expense	6,195
Payments	(96,000)
Balance, May 31, 2020	55,577
Current portion of lease liability	**55,557**
Long-term portion of lease liability	**-**

1.10 RELATED PARTIES TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities.

Key management includes directors and officers of the Company. The Company incurred the following key management compensation charges during the years ended May 31, 2020 and 2019:

	2020	2019
	$	$
Salaries, bonuses, fees and benefits	**120,000**	170,481

The Company entered into the following transactions with related parties:

a) During the year ended May 31, 2020, the Company incurred a director and officer's salaries expense in the amount of $120,000 (2019 - $170,481).

b) During the year ended May 31, 2020, the Company incurred consulting fees of $50,000 (2019 - $nil) to the spouse of a director and officer.

c) During the year ended May 31, 2020, the Company paid professional fees to companies controlled by officers, directors and spouses of officers of the Company in the amount of $144,390 (2019 - $144,283).

d) During the year ended May 31, 2020, the Company received a loan of $85,000 (2019 - $nil) from the spouse of a director and officer and made repayments of $85,000 (2019 - $nil). The loan bore interest at 15% and was unsecured. The Company incurred $14,903 (2019 - $nil) in interest charges on the loan. The loan and accrued interest was fully repaid as of May 31, 2020.

e) As at May 31, 2020, the Company had $6,819 (2019 - $nil) receivable from a director and officer. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

The following amounts were due to related parties:

	2020 **$**	**2019** **$**
Salary to officers	85,500	19,091
Expense reimbursements to related parties	20,419	13,231
	105,919	32,322

The amounts due to related parties are included in accounts payable and are unsecured, have no fixed repayments and are non-interest bearing.

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.

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 the Company's products makes the timing of revenues difficult to predict;
- the Company may not be able to generate operating profits;
- the Company plan 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 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 liability if the Company's 3D printers are used by customers to print dangerous objects;
- 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.

Risks Related to coronavirus COVID-19

In March 2020, the World Health Organization declared coronavirus 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 the Company 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	96,908,575		
Share Purchase Warrants	4,916,760	C$0.10	March 26, 2021
	4,240,000	C$0.12	October 15, 2021
	14,300,001	C$0.12	May 5, 2022
Stock Options	645,000	C$0.21	August 24, 2021
	200,000	C$0.21	September 13, 2021
	300,000	C$0.11	July 28, 2022
	2,450,000	C$0.12	November 13, 2022
Fully Diluted at September 28, 2020	**123,960,336**		

As of the date of this MD&A, there are nil common shares (2019 nil common shares) subject to escrow agreement.

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 Oct. 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 of the Company's revenue was generated in the U.S. and all capital assets are located in the U.S.

1.14 CRITICIAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company's significant accounting policies and estimates are included in Note 3 to the May 31, 2020 audited consolidated financial statements of G6 Materials Corp. The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the valuation of share-based payments expense;
- the useful lives for depreciation of equipment;
- the valuation of inventories and recognition of inventory impairment;
- the determination of the allowance of doubtful accounts; and
- the useful lives and recoverability of intangible asset.

Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

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.

1.15 NEW STANDARDS AND INTERPRETATIONS ADOPTED

Standards effective for annual periods beginning on or after June 1, 2019:

IFRS 16 Leases – The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 replaced IAS 17 Leases and this standard substantially carries forward the lessor accounting requirement of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The Company will apply the standard retrospectively with the cumulative effect of initially applying the standard recognized as an adjustment to the opening balance of retained earnings or deficit at that date, subject to permitted practical expedients. Therefore, the Company will not restate comparative information.

The adoption of IFRS 16 resulted in the recognition of a right-of-use asset and a lease liability measured at the present value of the future lease payments on the consolidated statements of financial position for a majority of the Company's leases that were considered operating leases under IAS 17. Amortization expense on the right-of-use asset and interest expense on the lease liability will replace the operating lease expense. IFRS 16 will change the presentation of cash flows relating to leases in the Company's consolidated statements of cash flows, but does not cause a difference in the amount of cash transferred between the parties of a lease. Refer to Note 7 for the impact of adoption of IFRS 16.

1.16 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair value of the Company's cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the statement of financial position due to their short-term nature.

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	561,711	-	-	561,711

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 May 31, 2020 and 2019, 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 May 31, 2020 and 2019, the Company is not exposed to significant interest rate risk as the outstanding loan payable as at May 31, 2020 carries a 1% fixed variable rate.

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 May 31, 2020, the Company held $485,107 (2019 - $713) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by $35,185 (2019 - $72).

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 May 31, 2020, the Company has cash and cash equivalents of $561,711 and a working capital surplus of $335,273.

As at May 31, 2020	**Up to 1 year**	**1 - 5 years**	**Total**
Accounts payable	**310,209**	-	310,000
Loan payable	**83,300**	-	83,300
Lease liability	**56,000**	-	56,000
	449,509	-	449,509

APPROVAL

The Board of Directors of Graphene 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 Graphene is on SEDAR at www.sedar.com and the Company's website http://www.G6-Materials.com.