TSX-V: GGG OTCQB: GPHBF

G6 Materials Reports Strong 2Q21 Financial Results

Revenue grew by 383% for the six-month period ending November 30, 2020

Ronkonkoma, New York, USA - TheNewswire – February 1, 2021 - G6 Materials Corp. **("G6"** or the **"Company")** (TSXV: GGG, OTCQB: GPHBF)**,** a technology company and world-leader in creating value through the development of innovative graphene-based solutions, is pleased to announce that it has filed its unaudited financial results for the second quarter of the fiscal year ending November 30, 2020, the highlights of which are included in this news release. The full set of Condensed Interim Consolidated Financial Statements and Management Discussion and Analysis can be viewed by visiting G6's website at www.g6-materials.com or its profile page on SEDAR at www.sedar.com.

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

- Revenue for the six-month period ended November 30, 2020 reached $1,675,566, a 383% increase from the $346,693 reported for the same period of the prior year, which was primarily due to strong customer demand for the Company's air purification products, consulting services provided to third-party clients and the receipt of a one-time payment as per the terms of a license and option agreement.
- Gross profit for the six-month period ended November 30, 2020 was $635,512, a 562% increase from the $96,019 reported for the same period of the prior year, due to the same aforementioned reasons.
- Total expenses for the six-month period ended November 30, 2020 were $832,079, as compared to $620,419 for the same period of the prior year, primarily due to $268,579 of share-based compensation related to the issuance of the options on October 14, 2020.
- Comprehensive loss for the six-month period ended November 30, 2020 was $209,994, as compared to a comprehensive loss of $524,731 reported for the same period of 2019, which was primarily due to reduced expenses in the areas of salaries and benefits as well as research and development.
- Total assets for the period ended November 30, 2020 increased by 15% to $1,342,561 from $1,165,686 for the year ended May 31, 2020 and a 50% increase from $896,299 reported for the same period of last year.

Management Commentary

"The first half of the 2021 fiscal year is progressing well as we continue to sell products to meet a steady source of demand. The Company is much better positioned at this time, when compared to the same period last year, and our goal is to sustain the Company's performance at this level or higher for the rest of this year," said Daniel Stolyarov, President & CEO of G6 Materials Corp.

"Our new graphene-enhanced indoor air purification system has been designed and is now being tested. We expect to provide more updates to our customers, shareholders and stakeholders as the launch date for our exciting new product approaches," added Mr. Stolyarov.

Summary of Key Quarterly Financial Measures
(with 2Q20 shown for year-over-year comparison purposes)

	Quarter ended Nov 30, 2020 $	Quarter ended Aug 31, 2020 $	Quarter ended May 31, 2020 $	Quarter ended Feb.29, 2020 $	Quarter ended Nov.30, 2019 $
Revenue	506,140	1,169,426	406,684	169,237	150,765
Cost of goods sold	(297,236)	(742,818)	(365,059)	(104,636)	(128,215)
Gross profit	208,904	426,608	41,625	64,601	(5) 22,550
Operating expenses	(530,525)	(301,554)	(327,385)	(292,789)	(366,501)
Net income (loss)	(321,621)	125,554	(261,760)	(228,188)	(343,951)
Comprehensive income (loss)	(320,759)	110,765	(251,168)	(226,213)	(343,996)
Net income (loss) per share (basic and diluted)	($0.002)	$0.002	($0.002)	($0.003)	($0.005)
Total assets	1,342,561	1,472,872	1,165,686	740,029	896,299
Shareholders' equity	802,039	855,943	716,600	254,399	480,612

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

- **Debt Facility:** During the quarter, the Company entered into a loan agreement with an arm's length third-party company, pursuant to which G6 can draw up to an aggregate principal amount of $1,000,000 on an unsecured basis for a one-year term. Any principal amounts drawn under the facility will accrue interest at a rate of 5.0% per year. The loan can be used for general working capital purposes.

- **New Website:** On November 10, 2020, the Company announced that it had unveiled a new corporate website at www.G6-Materials.com. The new website is much faster to load on both desktop and mobile devices, features a responsive design optimized for various display sizes and includes extra content such as stock information, media articles and enhanced contact forms for investors and other stakeholders.

- **Air Purification Products**: The Company's research and development team continues to develop a graphene-based technology for an enhanced air filtration system, for which a provisional patent application was filed to protect the intellectual property rights. The new air purification products have passed through the design stage and are currently undergoing testing, with the manufacturing contract also having been recently awarded to an offshore service provider.

G6 Materials

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About G6 Materials Corp.

G6 Materials Corp. is a technology company and world-leader in creating value through the development of innovative graphene-based solutions. The Company is strategically focused on serving the global air filtration and purification market with new products to meet growing demand. G6 also sells a range of graphene-based products and other materials, including but not limited to 3D printing materials, conductive epoxies, fine chemicals, high performance composites and R&D materials, with numerous customers from among the Fortune 500 list of companies, as well as NASA and leading universities.

G6 has identified new graphene-based applications to accelerate growth into the future. Accordingly, the Company has a valuable IP portfolio currently comprised of three granted patents, three provisional patents and five patent applications filed. The Company's management team and employees have a deep understanding of graphene technology based on decades of aggregate academic and commercial experience. Located in Ronkonkoma, New York, its premium research laboratory and scalable production facility is equipped with advanced analytical and material processing equipment.

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

- Conductive Epoxies: Adhesive materials distributed under the G6-Epoxy™ trade name and can be purchased at g6-epoxy.com
- Fine Chemicals: ChemApproach is a worldwide supplier of a wide variety of unique chemical building blocks, which can be found at chemapproach.com
- R&D Materials: Graphene Laboratories Inc. currently offers over 100 graphene and related products available at Graphene-Supermarket.com

Forward-Looking Information

This news release may contain assumptions, estimates, and other forward-looking statements regarding future events. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a company's expected future business and financial performance, and often contain words such as "anticipate," "believe," "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our 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: the risks associated with outstanding litigation, if any; risks associated with adoption by industries of graphene-based products health and environmental factors affecting adoption of these technologies; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume; and tax consequences to U.S. shareholders. 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. Albeit the operation of newly suggested products are based on strong scientific evidence, the Company cannot guarantee the performance parameters of the new products and their efficiency against the specific microbes including all types of viruses and bacteria until testing is completed. Further, the Company can not guarantee any outcomes of such testing.

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

SOURCE: G6 Materials Corp.

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

G6 MATERIALS CORP.

(formerly Graphene 3D Lab Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2020 AND 2019

(Unaudited - Expressed in US Dollars)

Notice of non-review of condensed interim consolidated financial statements

The accompanying condensed interim consolidated financial statements for the six month period ended November 30, 2020 and 2019 are the responsibility of management and have been approved by the Board of Directors. The Company's independent auditor has not reviewed these condensed interim consolidated financial statements.

G6 MATERIALS CORP.

(formerly Graphene 3D Lab Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2020 AND MAY 31, 2020
(Unaudited - Expressed in US Dollars)

	Notes	November 30, 2020	May 31, 2020
ASSETS		**$**	**$**
Current			
Cash and cash equivalents		322,940	561,711
Amounts receivable	5	15,632	8,620
Inventory	6	659,628	162,140
Prepaid expenses and deposits		64,473	51,888
		1,062,673	784,359
Equipment	8	32,234	65,943
Right-of-use asset	7	7,652	53,562
Intangible assets	4	240,002	261,822
		1,342,561	1,165,686
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	448,816	310,209
Loan payable	10	83,300	83,300
Current portion of lease liability	7	8,406	55,577
		540,522	449,086
SHAREHOLDERS' EQUITY			
Share capital	11	8,299,942	8,299,942
Warrants reserve	11	33,946	33,946
Contributed surplus	11	3,090,517	2,821,938
Accumulated other comprehensive loss		(69,412)	(82,839)
Deficit		(10,552,954)	(10,356,387)
		802,039	716,600
		1,342,561	1,165,686

Going Concern (Note 2(c))
Subsequent Event (Note 15)

Approved on behalf of the Board of Directors on January 29, 2021:

"Daniel Stolyarov"	Director	*"John Gary Dyal"*	Director
Daniel Stolyarov		John Gary Dyal	

G6 MATERIALS CORP.
(formerly Graphene 3D Lab Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED,
(Unaudited - Expressed in US Dollars)

	Notes	Three months November 30, 2020	Three months November 30, 2019	Six months November 30, 2020	Six months November 30, 2019
		$	$	$	$
REVENUE		506,140	150,765	1,675,566	346,693
COST OF GOODS SOLD		(297,236)	(128,215)	(1,040,054)	(250,674)
		208,904	22,550	635,512	96,019
EXPENSES					
Amortization of intangible asset	4	10,910	10,910	21,820	21,820
Amortization of right-of-use asset	7	22,955	20,779	45,910	41,558
Depreciation of equipment	8	16,847	23,226	33,709	46,452
Foreign exchange loss		591	19,557	2,315	21,292
Lease interest	7	238	1,549	829	4,113
Marketing and investor relations		38,962	19,053	66,923	28,701
Office and administrative		48,739	36,829	110,097	65,532
Professional fees	9	34,734	81,008	141,392	152,692
Regulatory fees		7,180	9,148	11,197	13,689
Research and development		30,389	66,429	51,620	78,952
Salaries and benefits	9	49,061	73,508	77,323	132,034
Share-based compensation	11	268,579	-	268,579	
Travel expenses		1,340	4,505	365	13,584
		(530,525)	(366,501)	(832,079)	(620,419)
NET INCOME (LOSS) BEFORE INCOME TAXES		(321,621)	(343,951)	(196,567)	(524,400)
OTHER COMPREHENSIVE LOSS					
Items that may be reclassified subsequently to income:					
Foreign currency translation income (loss)		862	(45)	(13,427)	(331)
COMPREHENSIVE LOSS		(320,759)	(343,996)	(209,994)	(524,731)
INCOME (LOSS) PER SHARE - BASIC AND DILUTED		$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		82,037,317	74,340,872	82,037,317	79,434,366

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

G6 MATERIALS CORP.

(formerly Graphene 3D Lab Inc.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED,

(Unaudited - Expressed in US Dollars)

	Notes	November 30, 2020	November 30, 2019
		$	$
OPERATING ACTIVITIES			
Net loss		(196,567)	(524,400)
Non-cash items:			
Lease interest	7	829	4,113
Amortization of intangible asset	4	21,820	21,820
Amortization of right-of-use asset	7	45,910	41,558
Depreciation of equipment	8	33,709	46,452
Share-based compensation	11	268,579	-
Foreign exchange loss		2,315	21,292
		176,595	(389,165)
Changes in non-cash working capital items:			
Amounts receivable		(7,012)	78,258
Inventory		(497,488)	119,118
Prepaid expenses and deposits		(12,585)	(33,737)
Accounts payable and accrued liabilities		138,607	41,661
		(201,883)	(183,865)
FINANCING ACTIVITIES			
Proceeds from loans payable		-	71,260
Proceeds from issuance of common shares (net)		-	160,472
Principal payments on lease	7	(48,000)	(48,000)
		(48,000)	183,732
Change in cash and cash equivalents		(249,883)	(133)
Effect of exchange rate changes on cash		11,112	(21,623)
Cash and cash equivalents, beginning		561,711	100,169
Cash and cash equivalents, ending		322,940	78,413

Supplemental cash flow information

	2020	2019
	$	$
Cash paid for interest	-	14,903
Cash paid for income taxes	-	-

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

G6 MATERIALS CORP.
(formerly Graphene 3D Lab Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2020 AND 2019
(Unaudited - Expressed in US Dollars)

	Notes	Common Shares #	Common Shares $	Warrants #	Warrants Reserve $	Contributed Surplus $	Accumulated Other Comprehensive Loss $	Deficit $	Total $
Balance, May 31, 2019		**78,368,574**	**7,426,101**	**4,916,760**	**33,946**	**2,821,938**	**(95,075)**	**(9,343,039)**	**844,871**
Share issued for private placement	11	4,240,000	160,472	4,240,000	-	-	-	-	160,472
Foreign currency translation loss		-	-	-	-	-	(331)	-	(331)
Net loss for the period		-	-	-	-	-	-	(524,400)	(524,400)
Balance, November 30, 2019		**82,608,574**	**7,586,573**	**9,156,760**	**33,946**	**2,821,938**	**(95,406)**	**(9,866,439)**	**480,612**
Balance, May 31, 2020		**96,908,575**	**8,299,942**	**23,456,761**	**33,946**	**2,821,938**	**(82,839)**	**(10,356,387)**	**716,600**
Share-based compensation	11	-	-	-	-	268,579	-	-	268,579
Foreign currency translation income		-	-	-	-	-	13,427	-	13,427
Net income for the period		-	-	-	-	-	-	(196,567)	(196,567)
Balance, November 30, 2020		**96,908,575**	**8,299,942**	**23,456,761**	**33,946**	**3,090,517**	**(69,412)**	**(10,552,954)**	**802,039**

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

1. NATURE OF OPERATIONS

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

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

The Company's principal business is the development, manufacturing and sale of proprietary composites and coatings based on graphene and other advanced materials. The Company's wholly-owned subsidiary Graphene Laboratories Inc. currently offers over 100 graphene and related products. The Company's 3D printing division offers a portfolio of specialty fused filament fabrication filaments. The Company also holds a portfolio of intellectual property which includes but is not limited to new proprietary technology encompassing the preparation and separation of atomic layers of graphene.

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

2. BASIS OF PREPARATION AND CONTINUING OPERATIONS

a) Basis of Presentation

The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended May 31, 2020. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2020. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended May 31, 2021.

b) Basis of Consolidation

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

These condensed interim consolidated financial statements were approved and authorized for issuance in accordance with resolution from the Board of Directors on January 29, 2021.

2. BASIS OF PREPARATION AND CONTINUING OPERATIONS (continued)

b) New Accounting Standards Adopted

The following accounting standard was adopted by the Company effective 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.

c) Going Concern

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The Company incurred a net loss of $196,567 for the period ended November 30, 2020 and, as of that date, the Company has an accumulated deficit of $10,552,954 These factors raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. There is no guarantee that the Company will be able to raise this additional financing. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared the novel 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 COVID-19 pandemic, including the potential impact on the Company's operations. The impact of COVID-19 is uncertain and the pandemic could have a significant impact on the Company if it or its suppliers are not able to maintain operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

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

b) Inventory

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

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

c) Equipment

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

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

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

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

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

d) Significant Accounting Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. Significant areas requiring the use of management estimates include the valuation of share-based payments expense, the determination of useful lives of equipment, valuation of inventories and recognition of inventory impairment, the determination of the allowance of doubtful accounts and the useful lives and recoverability of intangible assets. Actual results could differ from these estimates.

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment in the next period. Significant areas requiring critical accounting judgements include the Company's ability to carry on as a going concern and the probability that deferred income tax assets would be recovered in future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Income Taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

f) Loss Per Share

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

g) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

h) Share-based Compensation

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Revenue Recognition

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

The Company recognizes revenues from the sale of graphene and graphene-related products at the point in time when it satisfies its performance obligations. The Company satisfies its performance obligations and transfers control over the goods to the customer upon shipment.

Payments received from customers in advance of meeting all recognition criteria are recorded as deferred revenue and subsequently recognized as these criteria are met.

j) Financial Instruments

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

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

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

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

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

k) Functional Currency and Foreign Currency Translation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment

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

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

m) Intangible Assets

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

n) Business combinations

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

(Unaudited - Expressed in US Dollars)

4. INTANGIBLE ASSETS

As part of the acquisition of Graphene Laboratories Inc., the Company acquired intangible assets comprised of certain intellectual property, including a provisional patent relating to technology enabling cost efficient industrial scale manufacture and processing of graphene. The Company intends to continue to further develop this technology over the next few years. As at November 30, 2020, the Company's intangible assets are as follows:

	$
Cost:	
Balance, May 31 and November 30, 2020	436,382
Accumulated Amortization:	
Balance, May 31, 2019	130,920
Amortization	43,640
Balance, May 31, 2020	174,560
Amortization	21,820
Balance, November 30, 2020	196,380
Net Book Value:	
May 31, 2020	261,822
November 30, 2020	240,002

5. AMOUNTS RECEIVABLE

	November 30, 2020	**May 31, 2020**
	$	$
Trade accounts receivable	14,290	7,325
GST receivable	1,342	1,295
Total	15,632	8,620

6. INVENTORY

	November 30, 2020	**May 31, 2020**
	$	$
Raw materials	436,890	63,136
Finished goods	222,738	99,004
Total	659,628	162,140

The cost of inventory is recognized as an expense and included in cost of goods sold when sold. For the six months ended November 30, 2020, the amount of inventory recognized in cost of goods sold was $777,128 (May 31, 2020 - $690,245).

(Unaudited - Expressed in US Dollars)

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

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, May 31 and November 30, 2020	145,382
Accumulated Amortization:	
Balance, May 31, 2019	-
Amortization	91,820
Balance, May 31, 2020	91,820
Amortization	45,910
Balance, November 30, 2020	137,730
Net Book Value:	
May 31, 2019	-
May 31, 2020	53,562
November 30, 2020	7,652

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
Lease interest expense	829
Payments	(48,000)
Balance, November 30, 2020	8,406
Current portion of lease liability	**8,406**
Long-term portion of lease liability	**-**

(Unaudited - Expressed in US Dollars)

8. EQUIPMENT

	Laboratory Equipment
Cost:	$
Balance, May 31, 2018	538,224
Additions	16,636
Balance, May 31, 2019 and November 30, 2020	554,860
Accumulated Depreciation:	
Balance, May 31, 2019	408,210
Depreciation expense	80,707
Balance, May 31, 2020	488,917
Depreciation expense	33,709
Balance, November 30, 2020	522,626
Net Book Value:	
May 31, 2020	65,943
November 30, 2020	32,234

9. RELATED PARTY 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 six months ended November 30, and May 31, 2020:

	November 30, 2020	May 31, 2020
	$	$
Salaries, bonuses, fees and benefits	**60,000**	120,000

The Company entered into the following transactions with related parties:

a) During the six months ended November 30, 2020, the Company incurred a director and officer's salaries expense in the amount of $60,000 (2019 - $64,615).

b) During the six months ended November 30, 2020, the Company incurred consulting fees of $60,000 (2019 - $nil) to the spouse of a director and officer.

c) During the six months ended November 30, 2020, the Company paid professional fees to companies controlled by officers, directors and spouses of officers of the Company in the amount of $72,007 (2019 - $71,959).

(Unaudited - Expressed in US Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

d) As at November 30, 2020, the Company had $2,627 (2019 - $nil) receivable from a director and officer. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

e) During the six months ended November 30, 2020, the Company issued 3,200,000 (2019- nil) stock options with a fair value of $168,520 (2019 - $nil) to related directors and officers of the Company. During the quarter ended November 30, 2020, $268,579 in total (2019- $nil) has been included in share-based compensation.

The following amounts were due to related parties:

	November 30, 2020 $	**May 31, 2020 $**
Salary to officers	86,538	75,000
Expense reimbursements to related parties	6,841	20,419
	93,379	95,419

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

10. LOAN PAYABLE

	November 30, 2020 $	**May 31, 2020 $**
Loans payable	83,300	83,300

On May 7, 2020, the Company entered into a loan agreement with a third party under the Small Business Administration Payroll Protection Program and borrowed a total of $83,300 which is forgivable subject to the certain conditions. Subject to the agreement, the loan will be forgivable if the Company only spends the funds on the Company’s payroll, rent, and utilities for the subsequent 8 weeks with appropriate supporting documents. As at November 30, 2020, there was $83,300 in total consisting of principal of loan. Interest of 1% accrues on the loan during the time between the disbursement of the loan and SBA remittances of the forgiveness amount. Loan payments are deferred for the first six months and the loan is set to mature two years after its initial grant. Subsequent to the quarter-ended November 30, 2020, the loan payable of $83,300 has been fully forgiven as per SBA’s review and approval.

On September 11, 2020, the Company entered into a loan agreement with an arm’s length third-party company, pursuant to which the Company can draw up to an aggregate principal amount of $1,000,000 dollars on an unsecured basis for a one-year term. Any principal amounts drawn under the facility will accrue interest at a rate of 5.0% per year. The loan can be used for any general working capital need, however, the Company expects to use the proceeds to more specifically fund, in whole or in part, inventory purchases, incremental human resources, ongoing research and development, as well as a new production facility.

(Unaudited - Expressed in US Dollars)

11. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Issued and outstanding common stock:

a) On October 15, 2019, the Company closed a non-brokered, private placement financing by 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 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. The share purchase warrants include an acceleration provision whereby if the Company's common shares trade on the TSX Venture Exchange at a volume weighted-average price of C$0.16 or more per common share for any period of at least ten consecutive trading days after four months from the closing date, the Company is entitled to accelerate the expiry date of the share purchase warrants to a date that is at least 30 days from the date that notice of such acceleration is given via a news release by the Company.

b) On May 5, 2020, 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). 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. The share purchase warrants include an acceleration provision whereby if the Company's common shares trade on the TSX Venture Exchange at a volume weighted-average price of C$0.16 or more per common share for any period of at least ten consecutive trading days after four months from the closing date, the Company is entitled to accelerate the expiry date of the share purchase warrants to a date that is at least 30 days from the date that notice of such acceleration is given via a news release by the Company.

Escrow shares:

As at November 30, 2020 and 2019, there are no common shares subject to escrow agreements.

Stock options:

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

Continuity of stock options:

	Number of options	Exercise price
Options outstanding – May 31,2018	5,215,000	C$0.18
Expired during the period	(1,575,000)	C$0.25
Cancelled during the period	(45,000)	C$0.21
Options outstanding – May 31 2019 and 2020	3,595,000	C$0.14
Granted during the period	5,100,000	C$0.08
Vested options – November 30, 2020	8,695,000	C$0.11

During the year ended May 31, 2019, 1,575,000 options expired unexercised.

During the year ended May 31, 2019, one of the consultants from the Company resigned and subsequently 45,000 options were cancelled.

(Unaudited - Expressed in US Dollars)

11. SHARE CAPITAL (continued)

Stock options:

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

On October 14, 2020, the Company granted 5,100,000 stock options to certain directors, officers and consultants of the Company with a weighted average fair value of $0.08 at the date of grant. The options are exercisable at C$0.08 per share for a period of five years from the date of grant.

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

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

	2020	2019
Share price	C$0.08	-
Risk-free interest rate	1.16%	-
Expected volatility	132.31%	-
Expected dividend yield	$nil	-
Expected forfeiture rate	0%	-
Expected life	5 years	-

The options have various vesting schedules. Based on the Black-Scholes option pricing model and the assumptions outlined above the Company recorded a recovery of share-based compensation of $268,579 for the quarter ended November 30, 2020 due to the forfeiture of unvested stock options. During the year ended May 31, 2020 the Company recorded share-based compensation of $nil.

Details of stock options outstanding:

Expiry date	Exercise price	Remaining life (years)	Number of stock options outstanding	Number of stock options vested and exercisable
August 4, 2021	C$0.21	0.68	645,000	645,000
September 13, 2021	C$0.21	0.79	200,000	200,000
July 28, 2022	C$0.11	1.66	300,000	300,000
November 14, 2022	C$0.12	1.96	2,450,000	2,450,000
October 14, 2025	C$0.08	4.87	5,100,000	5,100,000

Share purchase warrants:

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

(Unaudited - Expressed in US Dollars)

11. SHARE CAPITAL (continued)

Share purchase warrants (continued):

Continuity of share purchase warrants:

	Number of warrants	**Weighted average exercise price**
Warrants outstanding – May 31, 2018	457,403	C$0.250
Issued with March 26, 2019 private placement	4,916,760	C$0.100
Warrants expired during the year	(457,403)	C$0.250
Warrants outstanding – May 31, 2019	4,916,760	C$0.100
Issued with October 15, 2019 private placement	4,240,000	C$0.120
Issued with May 5, 2020 private placement	14,300,001	C$0.120
Warrants outstanding – May 31 and November 30, 2020	23,456,761	C$0.116

Details of warrants outstanding:

Expiry date	**Exercise price**	**Remaining life (years)**	**Number of warrants outstanding**
March 26, 2021	C$0.10	0.32	4,916,760
October 15, 2021	C$0.12	0.87	4,240,000
May 5, 2022	C$0.12	1.43	14,300,001

12. MANAGEMENT OF CAPITAL

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

The Company defines its capital as all components of shareholders’ equity. As at November 30, 2020, the Company had capital resources consisting mainly of cash and cash equivalents. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

13. FINANCIAL INSTRUMENTS

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

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

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

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

	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and cash equivalents	322,940	-	-	322,940

i) Credit risk

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 trade and other receivables through established credit monitoring activities. As at November 30, 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 November 30, 2020 and 2019, the Company is not exposed to significant interest rate risk as the outstanding loan payable as at November 30, 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 November 30, 2020, the Company held $19,651 (May 31, 2020 - $485,107) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by $1,965 (May 31, 2020 - $35,185).

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, 2020, the Company has cash and cash equivalents of $322,940 and a working capital surplus of $522,151.

(Unaudited - Expressed in US Dollars)

13. FINANCIAL INSTRUMENTS (continued)

As at November 30, 2020	Up to 1 year	1 - 5 years	Total
Accounts payable	**448,816**	-	448,816
Loan payable	**83,300**	-	83,300
Lease liability	**8,406**	-	8,406
	540,522	-	540,522

14. SEGMENT DISCLOSURES

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

15. SUBSEQUENT EVENT

As of January 29, 2021, the Company issued 500,000 common shares for the exercise of warrants for net proceed of $60,000.

G6 MATERIALS CORP.

(formerly Graphene 3D Lab Inc.)

Management Discussion and Analysis
For the six months ended November 30, 2020

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 three and six months ended November 30, 2020 and 2019. The following information should be read in conjunction with the condensed interim consolidated financial statements and notes for the three and six months ended November 30, 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 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, 2021.

1.2 COMPANY OVERVIEW

G6 Materials Corp., formerly known as Graphene 3D Lab Inc. (the "Company" or "G6"), was incorporated pursuant to the British Columbia Business Corporations Act on January 17, 2011. On August 8, 2014, the Company acquired Graphene 3D Lab (U.S.) Inc. ("Graphene 3D U.S.") through a reverse acquisition/takeover transaction ("Transaction"). The historical operations, assets and liabilities of Graphene 3D U.S. are included as the comparative figures as at and for the period ended May 31, 2014, which is deemed to be the continuing entity for financial reporting purposes. Graphene 3D U.S. was incorporated on September 3, 2013 in the State of Delaware, U.S.A.

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

Graphene 3D U.S. is a C-corporation, organized on September 3, 2013 under the laws of the State of Delaware. The founders of the corporation include Daniel Stolyarov, Ph.D., the current President & CEO and Elena Polyakova, Ph.D., 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".

1.3 NATURE OF BUSINESS

G6 Materials Corp. is a technology company and world-leader in creating value through the development of innovative graphene-based solutions. Historically, it has been in the business of developing, manufacturing, and marketing proprietary composites and coatings 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 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 of over 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, 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 also currently has three US patents granted, three provisional patents and five patent applications filed. The patent applications and the granted patents cover technology for graphene manufacturing and applications as well as for non-graphene related technology.

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

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

Air Purification and Hygiene Products

In 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. Currently, the Company is working on the commercialization of this technology and developing consumer products and systems based on this concept.

Conductive Epoxies

Through research and development, the Company has been able to create innovative products with unique properties by using a proprietary mix of high-performance carbon fillers to achieve superb electrical and mechanical properties for electrically conductive epoxies. The Company's specialty adhesive epoxies are well suited for use in the aerospace, automotive, electronics and communication industries, among others. 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 team of PhD-level 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 various substituents to aromatic rings, a large variety of functional group transformations and the 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, petrochemicals and other hi-tech industries. The website for this subsidiary can be found at: https://chemapproach.com/

High Performance Composites

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

R&D Materials

Graphene Supermarket (Graphene R&D Materials): The Company's suite of graphene products is available online at the Graphene Supermarket e-commerce platform (www.graphene-supermarket.com). G6 is a world leader in the development, manufacturing and marketing of graphene and other advanced materials as well as composites based on these nanomaterials. These diverse materials have a wide spectrum of commercial, research and military applications.

Graphene Manufacturing Process Patent

The Company filed a non-provisional patent pertaining to the preparation and separation of the atomic layers of graphene. This technological breakthrough represents a new, energy-efficient and chemically-efficient process to manufacture, sort and classify graphene nanoparticles, thereby resulting in the potential for large-scale production of high-grade graphene. This patent relates to graphene nanoplatelets ("GNP"). Specifically, the patent covers a new, energy-efficient and chemically non-invasive process that significantly lowers the cost of preparing and separating high-quality GNPs that is only a few atomic layers thick. 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 NOVEMBER 30, 2020

Corporate Developments

On February 12, 2020, the Company entered into a green-energy project as a collaboration with Gilman Industries LLC. 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, the Company is expected to develop a robust graphene-based material for electrodes within the hydrogen generator.

On April 1, 2020, the Company's announced that its research and development team had developed a solution for air purification products that is 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 into air filtration systems, thereby 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 all appropriate accreditations.

On June 23, 2020, the Company entered into a License and Option Agreement with a US-based clinical-stage biopharmaceutical company. As per the agreement, the Company received a one-time cash payment of $220,000 by granting the partner an exclusive license to use the intellectual property for a period of two years. Further, the partner will also have an option to purchase the Company's intellectual property rights for an incremental $1,000,000 during the license period. As at November 30, 2020, the Company had received the one-time cash payment of $220,000.

On August 17, 2020, the Company announced that it had finalized a research and development project to develop graphene-based composite materials for marine vessel applications with a private Singaporean partner company. At that time, the partner had accepted G6's final research report and the Company expected to receive a final payment from the partner of approximately $117,500, or $161,400 Singapore dollars. During the project, G6 successfully developed two formulations for graphene-enhanced resins for fiberglass and carbon fiber marine composites.

On August 31, 2020, the Company announced that it had bolstered its IP portfolio by securing various IP rights. G6 filed a provisional patent application to secure its proprietary technology of manufacturing antiviral products. Further, the Company received approvals from the U.S. Patent and Trademark Office for a patent covering the technology of making graphene-based energy storage devices by additive manufacturing as well as a patent covering multisegmented 3D printing filaments. These were in addition to the patent covering a proprietary method of trifluoroketone production that was granted earlier in 2020. These additions to G6's IP portfolio empowered the Company to either develop the IP internally or leverage any or all of the rights with external parties, as appropriate.

On October 21, 2020, the Company provided a business update regarding G6's ongoing sale of air purification products, among other items. The Company's research and development team had developed a graphene-based technology to create a proprietary, enhanced air filtration system. Subsequently, a provisional patent application was filed to protect the IP rights for this technology.

On November 10, 2020, the Company announced that it had unveiled a new corporate website at www.G6-Materials.com. The new website was announced as being much faster to load on both desktop and mobile devices, featuring a responsive design optimized for various display sizes and extra content such as stock information, media articles and enhanced contact forms for investors and other stakeholders.

Financial Update

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 May 7, 2020, the Company entered into a loan agreement with a third party under the Small Business Administration Payroll Protection Program and borrowed a total of $83,300 which is forgivable subject to the certain conditions. Subject to the agreement, the loan will be forgivable if the Company only spends the funds on the Company's payroll, rent, and utilities for the subsequent 8 weeks with appropriate supporting documents. As at November 30, 2020, there was $83,300 in total consisting of principal of loan. Interest of 1% accrues on the loan during the time between the disbursement of the loan and SBA remittances of the forgiveness amount. Loan payments are deferred for the first six months and the loan is set to mature two years after its initial grant. On January 15, 2021, the loan payable of $83,300 has been fully forgiven as per SBA's review and approval.

On September 11, 2020, the Company entered into a loan agreement with an arm's length third-party company, pursuant to which the Company can now draw up to an aggregate principal amount of $1,000,000 dollars on an unsecured basis for a one-year term. Any principal amounts drawn under the facility will accrue interest at a rate of 5.0% per year. The loan can be used for any general working capital need, however, the Company expects to use the proceeds to more specifically fund, in whole or in part, inventory purchases, incremental human resources, ongoing research and development, as well as a new production facility.

On October 14, 2020, the Company granted 5,100,000 incentive stock options to certain directors, officers, employees, and Consultants of the Company. The options vested immediately and are exercisable at $0.08 per share for a period of five years from the date of grant.

As of January 29, 2021, the Company issued 500,000 common shares for the exercise of warrants for net proceed of $60,000.

1.5 RESULTS OF OPERATIONS

Six months ended November 30, 2020 compared with the six months ended November 30, 2019

During the six months ended November 30, 2020, the Company reported a net loss of $196,567 compared to a net loss of $524,400 in 2019. The decrease in net loss was primarily the result of increases in the sales of IP services, air purification products and hygiene products, partially offset by increases in marketing and investor relations as well as office and administration expenses.

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

	Quarter ended Nov 30, 2020	Quarter ended Aug 31, 2020	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
R&D personnel	21,559	18,461	8,023	9,231	10,769	9,231	10,769	18,462
R&D equipment and supplies	1,145	350	438	724	2,831	3,292	7,346	958
Patent registration expense	7,685	2,420	15,285	1,786	12,829	-	10,397	-
Total R&D expenses	(1)30,389	(1)21,231	(2)23,746	(2)11,741	(3)26,429	12,523	28,512	19,420

(1) During the quarter ended November 30 and August 31, 2020, the Company increased its expenditures on R&D personnel primarily due to the receipt of a one-time US$220,000 cash payment related to the License and Option Agreement, the payment of which is not expected to recur over the next two years.

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

	Quarter ended Nov 30, 2020 (1) $	**Quarter ended Aug 31, 2020 (2) $**	**Quarter ended May 31, 2020 (3) $**	**Quarter ended Feb.29, 2020(4) $**	**Quarter ended Nov.30, 2019 $**	**Quarter ended Aug 31, 2019 $**	**Quarter ended May 31, 2019 $**	**Quarter ended Feb 28, 2019 $**
Revenue	506,140	1,169,426	406,684	169,237	150,765	195,928	206,609	305,790
Cost of goods sold	(297,236)	(742,818)	(365,059)	(104,636)	(128,215)	(122,459)	(7)(13,851)	(69,648)
Gross profit	208,904	426,608	41,625	64,601	(5) 22,550	(6) 73,469	220,460	236,142
Operating expenses	(530,525)	(301,554)	(327,385)	(292,789)	(366,501)	(253,918)	(337,404)	(274,137)
Net income (loss)	(321,621)	125,554	(261,760)	(228,188)	(343,951)	(180,449)	(171,319)	(8)(48,905)
Comprehensive income (loss)	(320,759)	110,765	(251,168)	(226,213)	(343,996)	(180,735)	(72,212)	(49,279)
Net income (loss) per share (basic and diluted)	($0.002)	$0.002	($0.002)	($0.003)	($0.005)	($0.002)	($0.001)	($0.001)
Total assets	1,342,561	1,472,872	1,165,686	740,029	896,299	1,057,297	1,066,851	990,233
Shareholders' equity	802,039	855,943	716,600	254,399	480,612	664,136	844,871	696,699

[1] The increase in revenue and gross profit for the quarter ended November 30, 2020, in comparison with the same period of the prior year, was due to the continuing strong demand for the Company's new offering of air purification products. The revenue was also from graphene-related consulting services provided to third-party clients with a higher margin.

[2] The increase in revenue and gross profit for the quarter ended August 31, 2020, in comparison with the previous quarters, was due to the strong demand for the Company's new offering of air purification products; the receipt of a one-time US$220,000 cash payment related to the License and Option Agreement, the payment of which is not expected to recur over the next two years; as well as from graphene-related consulting services provided to third-party clients.

[3] The increase in revenue and gross profit for the quarter ended May 31, 2020, in comparison with the previous quarters, was due to a new source of demand for the Company's air purification products as, among other factors. While there was significant growth in revenue the net loss was in line with previous quarters due to being relatively low margin products.

[4] 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.

[5] 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.

[6] 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.

[7] 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.

[8] 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.

1.8 LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2020, the Company had working capital surplus of $522,151 (May 31, 2020– working capital surplus $335,273). As at November 30, 2020, cash and cash equivalents totaled $322,940 (May 31, 2020 - $561,711). The Company has generated additional funds from the recent sales of goods and consulting services.

Cash used in operating activities during the six months ended November 30, 2020 was $201,883 (2019 – $183,865). Cash spent in investing activities during the six months ended November 30, 2020 was $nil (2019 –$nil). As at November 30, 2020, the Company's net assets totalled $802,039 (May 31, 2020 - $716,600). Cash used from financing activities during the six months ended November 30, 2020 was $48,000 (2019 – cash generated $183,732). The main contributor was that the principal lease payments.

As at November 30, 2020, the Company's share capital at $8,299,942 (May 31, 2020 - $8,299,942), which represented 96,908,575 issued and outstanding common shares without par value. As at November 30, 2020, warrant reserves $33,946 (May 31, 2020- $33,946) and contributed surplus $3,090,517 (May 31, 2020 -$2,821,938), respectively. As at November 30, 2020, the Company's retained losses increased to $10,552,954 (May 31, 2020 - $10,356,387) as the result of net loss during the period of $196,567

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, May 31 and November 30, 2020	145,382
Accumulated Amortization:	
Balance, May 31, 2019	-
Amortization	91,820
Balance, May 31, 2020	91,820
Amortization	45,910
Balance, November 30, 2020	137,730
Net Book Value:	
May 31, 2019	-
May 31, 2020	53,562
November 30, 2020	7,652

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
Lease interest expense	829
Payments	(48,000)
Balance, November 30, 2020	8,406
Current portion of lease liability	**8,406**
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 six months ended November 30, 2020 and 2019:

	November 30, 2020	May 31, 2020
	$	$
Salaries, bonuses, fees and benefits	**60,000**	120,000

The Company entered into the following transactions with related parties:

a) During the six months ended November 30, 2020, the Company incurred a director and officer's salaries expense in the amount of $60,000 (2019 - $64,615).

b) During the six months ended November 30, 2020, the Company incurred consulting fees of $60,000 (2019 - $nil) to the spouse of a director and officer.

c) During the six months ended November 30, 2020, the Company paid professional fees to companies controlled by officers, directors and spouses of officers of the Company in the amount of $72,007 (2019 - $71,959).

d) As at November 30, 2020, the Company had $2,627 (2019 - $nil) receivable from a director and officer. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

e) During the six months ended November 30, 2020, the Company issued 3,200,000 (2019- nil) stock options with a fair value of $168,520 (2019 - $nil) to related directors and officers of the Company. During the quarter ended November 30, 2020, $268,579 in total (2019- $nil) has been included in share-based compensation.

The following amounts were due to related parties:

	November 30, 2020 $	**May 31, 2020 $**
Salary to officers	86,538	75,000
Expense reimbursements to related parties	6,841	20,419
	93,379	95,419

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 many of the Company's products makes the timing of revenues difficult to predict;
- the Company may not be able to generate operating profits;
- the Company plans to grow rapidly, which will place strains on the management team and other resources;

- the Company may not be able to hire the number of skilled employees that it needs to achieve its business plan;
- loss of key management, sales or customer service personnel could adversely affect the Company's results of operations;
- if the Company's manufacturing facilities are disrupted, sales of its products could be disrupted and the Company could incur unforeseen costs;
- global economic, political, biological and social conditions may harm the Company's ability to do business, increase its costs, and negatively affect its stock price;
- the Company may need to raise additional capital from time to time to achieve its growth strategy and may be unable to do so on attractive terms; and
- the Company's operating results and financial condition may fluctuate on a quarterly and annual basis.

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

- the development of new competitive systems or processes by others;
- the entry of new competitors into the Company's market, whether by established or new companies;
- changes in the size and complexity of the Company's organization, including its international operations;
- levels of sales of the Company's products and services to new and existing customers;
- the geographic distribution of the Company's sales;
- changes in product developer preferences or needs;
- delays between the Company's expenditures to develop, acquire or license new technologies and processes, and the generation of sales related thereto;
- the Company's ability to timely and effectively scale its business during periods of sequential quarterly or annual growth;
- limitations or delays in the Company's ability to reduce its expenses during periods of declining sequential quarterly or annual revenue;
- changes in the Company's pricing policies or those of its competitors, including its responses to price competition;
- changes in the amount the Company spends in marketing and other efforts;
- the volatile global economy;
- general economic and industry conditions that affect customer demand and product development trends;
- changes in accounting rules and tax and other laws;
- becoming subject to personal injury, property damage, product liability, warranty and other claims involving allegedly defective products that the Company supplies, which could result in material expense, diversion of management time and attention and damage to its business reputation;
- potential liability if the Company's 3D printers are used by customers to print dangerous objects;
- 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.

Risks Related to COVID-19

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

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

1.12 OUTSTANDING SHARE DATA

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

	Number of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	97,408,575		
Share Purchase Warrants	4,916,760	C$0.10	March 26, 2021
	4,240,000	C$0.12	October 15, 2021
	13,800,001	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
	5,100,000	C$0.08	October 14, 2025
Fully Diluted at January 29, 2021	**129,060,336**		

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 CRITICAL 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, accounts receivable, accounts payable and accrued liabilities 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	322,940	-	-	322,940

i) Credit risk

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 trade and other receivables through established credit monitoring activities. As at November 30, 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 November 30, 2020 and 2019, the Company is not exposed to significant interest rate risk as the outstanding loan payable as at November 30, 2020 carries a 1% fixed variable rate.

iii) Currency risk

The Company has transactions internationally, however, is principally 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, 2020, the Company held $19,651 (May 31, 2020 - $485,107) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by $1,965 (May 31, 2020 - $35,185).

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, 2020, the Company has cash and cash equivalents of $322,940 and a working capital surplus of $522,151.

As at November 30, 2020	**Up to 1 year**	**1 - 5 years**	**Total**
Accounts payable	**448,816**	-	448,816
Loan payable	**83,300**	-	83,300
Lease liability	**8,406**	-	8,406
	540,522	-	540,522

APPROVAL

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

ADDITIONAL INFORMATION

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