G6 MATERIALS CORP.

Management Discussion and Analysis
For the year ended May 31, 2022

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

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

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

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

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

1.1 DATE OF REPORT

This report is prepared as of October 25, 2022.

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".

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

1.3 NATURE OF BUSINESS

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

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

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

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

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

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

Air Purification and Hygiene Products

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

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

Conductive 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. The company is working with several large European manufacturers in the field of flexible electronics and sensors and helping them to adopt the properties of the products to their manufacturing processes. Adhesive materials produced by the company are distributed under the G6-Epoxy™ trade name and can be purchased at: https://g6-epoxy.com/.

High Performance Composites

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

R&D Materials

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

Graphene Enrichment Process Patent

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

1.4 RECENT HIGHLIGHTS & DEVELOPMENTS

Corporate Developments

On September 7, 2021, the Company announced the results of the antimicrobial efficacy test on a prototype of G6's proprietary graphene-based air purifier (the "Lab Test") conducted by a US-based microbiological laboratory of The Intertek Group plc. The test showed that the concentration of pathogenic microorganisms present in the testing chamber was reduced by 99.9% over the duration of the experiment. Two different pathogens were randomly chosen to be tested under each experiment, which were the E. coli bacteria and the Phi-X174 bacteriophage.

On September 9, 2021, the Company's President and Chief Executive Officer, Daniel Stolyarov, issued a letter to shareholders highlighting the Company's pivotal year and outlining its near-term goals. On September 27, 2021, the Company announced that updates had been made to its corporate website and investor presentation, the enhancements of which reflected the Company's financing closing, acquisition of GX Technologies and increased corporate activity.

On November 29, 2021, the Company announced that it had successfully installed and commenced the use of a new pilot-scale graphene oxide reactor (the "New Reactor") at its facility in Ronkonkoma, New York. The New Reactor significantly increases the Company's graphene oxide production capacity five-fold. The Company expects the graphene oxide produced to be used in the manufacturing of G6's products, including but not limited to air purifiers and graphene-enhanced resins and composites.

On December 1, 2021, the Company announced that its wholly-owned subsidiary, Graphene Laboratories, Inc., was opening new location in Cerritos, California. The new location is a 3,895 square foot office and warehouse facility located at 16220 Manning Way in Cerritos, California, and will be mainly used as a distribution center for the Company's products. In addition, the Company has also engaged the services of a California-based third-party logistics company to increase its distribution capacity.

On December 14, 2021, the Company announced that its wholly-owned subsidiary, Graphene Laboratories, Inc., recently received ISO 9001 certification ("ISO 9001") for its manufacturing facility in Ronkonkoma, New York. Obtaining ISO 9001 was a prerequisite for G6 to enter into an exclusive five-year supply agreement with a global micro connector company headquartered in Europe. Although the terms of the agreement are confidential, the Company's client is well known in the design, manufacture and sale of flexible printed circuits. Pursuant to the terms and conditions of the agreement, G6 shall supply its products for a variety of smartcard applications.

On January 17, 2022, the Company announced that its wholly-owned subsidiary, Graphene Laboratories, Inc., had entered into a Testing Services Agreement with the U.S. Army Engineer Research & Development Center in Vicksburg, Mississippi. The Company will assess the ability of graphene oxide materials to solve environmental challenges through the adsorptive removal of contaminants.

On March 1, 2022, the Company announced the launch of its redesigned website for Graphene Supermarket (GSM) at www.graphene-supermarket.com. The redesigned website features an updated visual identity, along with an improved user interface and more streamlined and accessible website design experience for customers.

On March 21, 2022, the Company announced the expansion of its executive leadership and operations team to support the Company in its next phase of growth. Elena Polyakova rejoined G6 as Co-Chief Executive Officer and Director, while Roman Rabinovich stepped down as a member of the Board of Directors. The Company also hired Scott Pelt as Financial Controller and Matthew Abenante, IRC as Head of Investor Relations. Further, the Company also granted 6,900,000 options to Officers of the Company, its Directors, Employees, and Service providers. The options are exercisable at a price C$0.10 for five years. Among these options granted, 2,000,000 are subject to a 3-year vesting schedule, where 25% of the options will be granted immediately, and 25% will be granted at each anniversary.

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

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

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

Financial Update

On August 25, 2021 ("Closing Date"), the Company acquired 100% interests in GX Technologies, LLC ("GX Technologies"). Pursuant to the terms of the agreement, as payment, the Company issued 25,000,000 common shares ("Consideration Shares") to the shareholders of GX Technologies. On Closing Date, the fair market value of the Consideration Shares was $0.11 (C$0.14) per common share. The Consideration Shares will be released from escrow over a period of 28 months from the Closing Date as following vesting schedule:

Vesting Date	Consideration shares

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

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

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

The GX acquisition brought together the work GX has invested in developing graphene oxide applications in environmental remediation and precious metal sectors and G6's expertise in the graphene oxide necessary to advance these projects. The acquisition joins the Army Corp of Engineers exclusive license and Cooperative Research and Development Agreement held by GX with the technical abilities of G6. It also resulted in members of the GX management, which has successfully raised US $700m in equity funding for public companies, joining G6 board in the capacity of a director and an advisor.

During the fiscal year ended May 31, 2022, the Company conducted impairment tests on its intangible asset not yet ready for use. According to the rules stated in IAS 36, given the intangible assets were not yet ready for use, and there is uncertainty surrounding the future viability of the intangible assets (the GX Technologies IP), the Company is required to impair the assets. Therefore, as at May 31, 2022, the Company wrote-down the intangible assets to a net book value of nil.

While current accounting rules dictate that the Company write down this asset due to uncertainty in estimating and supporting future revenues, management places significant value on this asset. The license agreement (PLA) with the Army Corp of Engineers and certain patents acquired with this acquisition are essential components to Graphene Oxide-Chitosan filtration technology for the removal of contaminants and the extraction of certain metals. Management continues to maintain the PLA and has an ongoing Cooperative Research and Development Agreement with the Army Corp. of Engineers to develop the commercial product. The Company has applied for an additional related patent and continues to invest in in R&D to bring this technology to market which management believe will generate material revenues for the Company.

1.5 RESULTS OF OPERATIONS

Year ended May 31, 2022 compared with the year ended May 31, 2021

During the year ended May 31, 2022, the Company reported a net loss of $4,938,532 compared to a net loss of $938,601 in 2021. The increase in net loss was primarily the result of lower sales of air purification products, the increase in general and administrative expenses, marketing and investor relations expenses, and the write-down of the value of its investment in GX Technologies.

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

	Quarter ended May 31, 2022	Quarter ended Feb 28, 2022	Quarter ended Nov 30, 2021	Quarter ended Aug 31, 2021	Quarter ended May 31, 2021	Quarter ended Feb 28, 2021	Quarter ended Nov 30, 2020	Quarter ended Aug 31, 2020
R&D personnel (recovery)	12,643	29,502	25,288	26,967	(15,154)	15,132	21,559	18,461
R&D equipment and supplies	(181,266)	163,049	29,347	15,862	79,445	7,212	1,145	350
Patent registration expense	20,576	1,724	-	35,645	22,647	4,720	7,685	2,420
Total R&D expenses	(1)(148,007)	(2)194,275	(2)54,635	(3)78,474	(4)86,938	(5)27,064	(5)30,389	21,231

(1) During the quarter ended May 31, 2022, the Company reversed the accrued R&D equipment and supplies of $151,600 as a result of the testing of Graphene Oxide was cancelled during the period.
(2) During the quarter ended February 28, 2022 and November 30, 2021, the Company increased its expenditures on R&D equipment and supplies expense primarily due to the preparation for expansion into new product lines.

(3) During the quarter ended August 31, 2021, the Company increased its expenditures on patent registration expense primarily due to the preparation and development of business expansion.

(4) During the quarter ended May 31, 2021, the Company increased its expenditures on R&D equipment and supplies primarily due to the preparation of business expansion yet partially offset by the reallocation of R&D personnel costs into direct labour cost in cost of goods sold.

(5) During the quarter ended February 28, 2021 and November 30, 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.

1.6 SELECTED FINANCIAL INFORMATION

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

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

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

1.7 SUMMARY OF QUARTERLY RESULTS

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

	Quarter ended May 31, 2022 (1) $	Quarter ended Feb 28, 2022 (1) $	Quarter ended Nov 30, 2021 (2) $	Quarter ended Aug 31, 2021 (3) $	Quarter ended May 31, 2021 (4) $	Quarter ended Feb 28, 2021 (5) $	Quarter ended Nov 30, 2020 (6) $	Quarter ended Aug 31, 2020 (7) $
Revenue	358,540	337,921	320,204	341,134	220,672	263,425	506,140	949,426
Cost of goods sold	(174,744)	(130,012)	(280,821)	(169,652)	(478,223)	(193,993)	(237,236)	(512,818)
Gross profit	183,796	207,909	39,383	171,482	(257,551)	69,432	268,904	436,608
Operating expenses	(539,593)	(630,009)	(649,648)	(742,676)	(642,057)	(476,373)	(530,525)	(301,554)
Other income/ (expenses)	-	-	-	-	-	83,300	-	220,000
Net income (loss)	(3,132,553)	(422,100)	(610,265)	(571,194)	(899,609)	(323,641)	(261,621)	355,054
Comprehensive income (loss)	(3,137,058)	(404,142)	(650,304)	(747,028)	(407,455)	(321,152)	(320,759)	361,933
Net income (loss) per share (basic and diluted)	($0.024)	($0.001)	($0.001)	($0.002)	($0.008)	($0.002)	($0.002)	$0.004
Total assets	3,761,922	6,916,831	7,215,304	8,034,770	5,912,649	1,617,187	1,342,561	1,472,872
Shareholders' equity	3,499,906	6,457,311	6,861,453	7,538,004	5,525,214	836,567	802,039	855,942

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

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

(3) The quarter-over-quarter increase in gross profit for the quarter ended August 31, 2021, was primarily due to the stable increase in sales yet partially offset by the increase in the shipping costs of direct materials and customer shipments mainly from the imports of air purification materials, resulting in a continual increase in costs of goods sold. Meanwhile, the Company successfully closed and completed the acquisition of GX Technologies by issuing 25,000,000 common shares, resulting in the dramatic increases in cash, total assets and equity. The period over period decline in sales and gross profit as compared to

August 31, 2020 is largely attributable to the company's transition to selling its own branded products from 3rd party products and to supply chain delays in the current period which reduced the amount of product available for sale.

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

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

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

(6) 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. The operating loss for the period was reduced by the forgiveness of a loan payable of $83,300. The loan amount was provided under the Small Business Administration ("SBA") Payroll Protection Program and has been fully forgiven as per SBA's review and approval.

(7) 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 as well as from graphene-related consulting services provided to third-party clients. In addition, included in other income/(expenses) was 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.

1.8 LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2022, the Company had working capital surplus of $3,098,206 (2021 - $5,194,684). As at May 31, 2022, cash and cash equivalents totaled $2,119,429 (2021 - $4,878,904). The Company has generated additional funds from the recent sales of goods and reserved some of the net proceeds of options and warrants exercised as well as the private placement from the prior year.

Cash used in operating activities during the year ended May 31, 2022 was $2,283,038 (2021 - $1,239,917). Cash used in investing activities during the year ended May 31, 2022 was $106,115 (2021 - $9,406). Cash spent from financing activities during the year ended May 31, 2022 was $166,286 (2021 - generated $5,381,436). The main contributor was the principal of lease payments and the payment for the share issuance cost.

As at May 31, 2022, the Company's share capital was $16,487,601 (2021 - $13,754,030), which represented 163,679,193 issued and outstanding common shares without par value. As at May 31, 2022, warrant reserves was $125,605 (2021 - $125,605) and contributed surplus was $3,203,059 (2021 - $3,023,406). As at May 31, 2022, the Company's retained losses increased to $16,222,315 (2021 - $11,486,203) due to the net loss of $4,736,112 incurred during the fiscal year ended May 31, 2022.

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

1.9 COMMITMENTS

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

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

discount rate, its incremental borrowing rate to calculate the present value of the future lease payments and the lease interest expense.

RIGHT-OF-USE ASSET

	$
Cost:	
Balance, May 31, 2020	145,382
Addition	272,211
Balance, May 31, 2021	417,593
Addition	192,341
Balance, May 31, 2022	609,934
Accumulated Amortization:	
Balance, May 31, 2020	91,820
Amortization	91,369
Balance, May 31, 2021	183,189
Amortization	133,072
Adjustment on the renewal of contract	181,474
Balance, May 31, 2022	497,735
Net Book Value:	
May 31, 2021	234,404
May 31, 2022	112,199

LEASE LIABILITY

	$
Balance, May 31, 2020	55,577
Lease interest expense	6,674
Addition	272,211
Payments	(97,200)
Balance, May 31, 2021	237,262
Lease interest expense	10,878
Addition	192,341
Payments	(140,040)
Adjustment on the renewal of contract	(186,846)
Balance, May 31, 2022	113,595
Current portion of lease liability	**113,595**
Long-term portion of lease liability	**-**

1.10 RELATED PARTIES TRANSACTIONS AND BALANCES

Key management includes directors and officers of the Company. The Company incurred the following key management compensation charges during the year ended May 31, 2022 and 2021:

	2022	2021
	$	$
Salaries, bonuses, fees and benefits	185,300	194,231
Share-based compensation	93,732	110,592
	279,032	304,823

The Company had the following transactions with related parties:

a) During the year ended May 31, 2022, the Company incurred consulting fees in the amount of $124,663 (2021 - $119,995) that was paid to the spouse of a director and officer.

b) During the year ended May 31, 2022, the Company incurred professional fees in the amount of $144,987 (2021 - $143,796) that were paid to companies controlled by an officer.

c) As at May 31, 2022, the Company had $3,451 (2021 - $3,451) receivable from a director and officer. In addition, the Company had $7,496 (2021 - $7,057) receivable from the spouse of a director and officer. The amounts receivable are unsecured, non-interest bearing and has no fixed terms of repayment.

d) As at May 31, 2022, the Company owed $12,801 (2021 - $12,588) to companies controlled by an officer. The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

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

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

1.11 RISKS AND UNCERTAINTIES

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

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

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

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

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

- there is significant competition in the Company's market, which could make it difficult to attract customers and cause the Company to reduce prices and incur lower gross margins;
- the long sales cycle for many of the Company's products makes the timing of revenues difficult to predict;
- the Company may not be able to generate operating profits;
- the Company plans to grow rapidly, which will place strains on the management team and other resources;
- the Company may not be able to hire the number of skilled employees that it needs to achieve its business plan;
- loss of key management, sales or customer service personnel could adversely affect the Company's results of operations;
- if the Company's manufacturing facilities are disrupted, sales of its products could be disrupted and the Company could incur unforeseen costs;
- global economic, political, biological and social conditions may harm the Company's ability to do business, increase its costs, and negatively affect its stock price;
- the Company may need to raise additional capital from time to time to achieve its growth strategy and may be unable to do so on attractive terms; and
- the Company's operating results and financial condition may fluctuate on a quarterly and annual basis.

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

- the development of new competitive systems or processes by others;
- the entry of new competitors into the Company's market, whether by established or new companies;
- changes in the size and complexity of the Company's organization, including its international operations;
- levels of sales of the Company's products and services to new and existing customers;
- the geographic distribution of the Company's sales;
- changes in product developer preferences or needs;
- delays between the Company's expenditures to develop, acquire or license new technologies and processes, and the generation of sales related thereto;
- the Company's ability to timely and effectively scale its business during periods of sequential quarterly or annual growth;
- limitations or delays in the Company's ability to reduce its expenses during periods of declining sequential quarterly or annual revenue;
- changes in the Company's pricing policies or those of its competitors, including its responses to price competition;
- changes in the amount the Company spends in marketing and other efforts;
- the volatile global economy;
- general economic and industry conditions that affect customer demand and product development trends;
- changes in accounting rules and tax and other laws;
- becoming subject to personal injury, property damage, product liability, warranty and other claims involving allegedly defective products that the Company supplies, which could result in material expense, diversion of management time and attention and damage to its business reputation;
- potential failure of efficacy tests and any other tests of the Company's proprietary technologies related to air purification intellectual property, products or services;
- potential failure to obtain the required accreditations for the Company's intellectual property, products or services from regulatory authorities or other agencies in the United States or other national or regional jurisdictions;
- interruptions associated with supplier-based delays or operational interruptions of manufacturing partners;
- inadequacy of insurance for potential liabilities; and
- a partially uninsured claim of significant size, which, if successful, could materially adversely affect the Company's business, financial condition, results of operations and liquidity.

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

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

- obtaining and maintaining the Company's patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and its patent protection could be reduced or eliminated for non-compliance with these requirements;
- the Company may incur substantial costs defending against third-party infringement claims as a result of litigation or other proceedings; and

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

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	163,679,193		
Warrants	14,476,000	C$0.30	April 12, 2023
Stock Options	2,350,000 3,900,000 6,900,000	C$0.12 C$0.08 C$0.10	November 13, 2022 October 14, 2025 March 16, 2027
Fully Diluted at October 25, 2022	**191,305,193**		

OTCQB Listing

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

1.13 OPERATING SEGMENTS

The Company operates in one reportable segment – the research, development and manufacturing of graphene-enhanced materials. Substantially all 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 AND JUDGEMENTS

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

Estimates

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

Share-based compensation

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

Estimated useful lives of long-lived assets and intangible assets

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

Identification and valuation of intangible assets acquired in business combinations

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

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

Impairment of non-financial assets

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

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

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

Provision for expected credit losses ("ECLs")

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

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

Taxes

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

Inventory

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

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

Judgements

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

Right-of-use assets and lease liability

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

Determination of functional currency

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

Determination of CGUs

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

Taxes

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

1.15 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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

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

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

	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and cash equivalents	2,119,429	-	-	2,119,429

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

i) Credit risk

Credit risk is the risk of financial loss to the Company if counter-party to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its cash and cash equivalents with large United States and Canadian chartered banks. The Company manages credit risk for accounts receivables through established credit monitoring activities. As at May 31, 2022 and 2021, the Company's maximum exposure to credit risk is the carrying value of cash and cash equivalents and accounts receivable.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. As at May 31, 2022 and 2021, the Company is not exposed to significant interest rate risk.

iii) Currency risk

The Company has transactions internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from financing and purchase transactions that are denominated in currency other than the US Dollar, which is the functional currency of the Company. As at May 31, 2022, the Company held C$1,647,573 (2021 - C$5,591,743) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by $164,757 (2021 - $463,198).

iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at May 31, 2022, the Company has cash and cash equivalents of $2,119,429 and a working capital surplus of $3,098,206.

As at May 31, 2022	**Up to 1 year**	**1 - 5 years**	**Total**
Accounts payable	148,420	-	148,420
Lease liability	113,596	-	113,596
	262,016	-	262,016

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.