SRG GRAPHITE INC.

(Formerly Sama Graphite Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017

AS OF OCTOBER 26, 2017

TSX-V: SRG

INDEX

SCOPE OF MD&A AND NOTICE TO INVESTORS

This management discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of October 26, 2017, and complements the unaudited interim condensed consolidated financial statements of SRG Graphite Inc., which include Sama Resources Guinee SARL ("Sama Guinee"), its wholly owned subsidiary, for the third quarter ended on September 30, 2017, which are compared to the third quarter ended September 30, 2016.

The interim condensed consolidated financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2016. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The Company's independent auditors have not conducted a review of the interim condensed consolidated financial report in accordance with the standards established by the Canadian Institute of Chartered Accountants regarding the review of the interim financial report.

Management of the Company is responsible for the preparation and presentation of the interim condensed and annual consolidated financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The unaudited interim condensed consolidated financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on October 26, 2017. These documents and more information about the Company are available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

COMPANY OVERVIEW

On June 30, 2017, Sama Graphite Inc. ("SRG" or the "Company") changed its company name to SRG Graphite Inc.

SRG Graphite Inc. is a Canadian-based mineral exploration and development business with activities in Africa. The Company was incorporated on April 16, 1996 under the Canada Business Corporations Act. Prior to the completion of the Reverse Takeover transaction on December 31, 2016, the Company was operating under the name of Section Rouge Media Inc. ("SRM") and its common shares were listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SRO.V". Following the completion of the Reverse Takeover transaction, SRM changed its name for Sama Graphite Inc. and the Company's common shares are presently listed on the TSX-V under the trading symbol "SRG.V". The Company's principal office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8.

HIGHLIGHTS

- On July 19, 2017, the Company announced drilling results which continue to expand the potential of the Company's Lola Graphite project.

- On August 16, 2017, the Company announced a non-brokered private placement with CORIS Capital SA ("CORIS") of 7,500,000 units at a price of $0.40 per Unit, for total gross proceeds of $3,000,000. Each Unit will be comprised of one common share of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant will entitle CORIS to purchase for a period of 24 months from the date of closing, one additional common share of the Company at an exercise price of $0.50 per warrant.

- On August 22, 2017, the Company announced that recent laboratory metallurgical tests conducted by ProGraphite GmbH utilizing a simple flotation procedure yielded graphite concentrates of up to 96% purity. Results, which were achieved through a simple flotation and attrition continue to corroborate the important potential of the Lola Graphite Project.

- On August 31, 2017, the Company announced the closing of tranche 1 of the non-brokered private placement announced on August 16, 2017 with CORIS. The Company has issued a total of 5,250,000 units at a price of $0.40 per Unit for gross proceeds of $2,100.000. The remaining $900,000 of the non-brokered private placement will close following approval of documentation filed with the TSX-V. Upon closure of the second tranche, CORIS will own a 18% interest in the Company and will have the right to assign two board members.

- On September 07, 2017, the Company announced results from battery grade characterization tests with Dorfner ANZAPLAN Co. ("ANZAPLAN") in Germany for graphite concentrate from the Company's 100%-owned Lola Graphite deposit. ANZAPLAN reported that bulk density, tap density, morphology, chemical purity and specific surface area of the spherical graphite product obtained from the Lola Graphite deposit are similar to typical spherical graphite products in the market. ANZAPLAN confirmed that the Lola Graphite concentrate is well suited for producing the anode material used to manufacture lithium-ion batteries. Results from the Lola Graphite tests indicate a spherical graphite production yield of 46% compared to typical yields of 30% to 40%.

- On September 13, 2017, the Company announced assay results from 12 boreholes drilled at the Lola Graphite deposit. Nine of the 12 intercepts returned grades above 10% graphitic carbon, including 10.06% Cg over 48.0 meters combined intercepts.

- On September 13, 2017, the Company announced that it had retained Venture Liquidity Providers Inc. to initiate a market-making service to aid in maintaining an orderly trading market for the common shares of the Company.

- On September 27, 2017, the Company announced that it has engaged Montreal-based Met-Chem, a division of DRA Americas Inc., to undertake a Preliminary Economic Assessment for the Lola Graphite Project.

- On September 27, 2017, the Company retained the services of Hybrid Financial Ltd. for strategic investor relations initiatives. The initiatives will include marketing, distribution and branding services for the Company with a specific focus on elevating the Company's profile via investment advisers in Canada and United States.

- On October 02, 2017, the Company announce that members of senior management and directors rang the opening bell on the Toronto Stock Exchange (TSX) the same day at 9:30 am (EDT) to celebrate the stock's noteworthy performance since it commenced trading on the TSX Venture Exchange on January 16, 2017.

OVERALL PERFORMANCE

During the third quarter of 2017, the Company continued its drilling activities at the Lola Graphite deposit by completing 4,402 meters of drilling as well as the environmental baseline study according to the Guinean's BGEEE guideline. Metallurgical investigations also continued in Canada and in Germany.

The Company engaged Montreal-based Met-Chem, a division of DRA Americas Inc., to undertake a Preliminary Economic Assessment for the Lola Graphite Project which is expected to be completed by mid-2018.

MINERAL PROPERTY PORTFOLIO

The exploration programs and technical disclosure for the Company are designed by Marc-Antoine Audet, P. Geo, PhD, President and Chief Executive Officer of SRG who is a 'qualified person' ("QP"), as defined by National Instrument 43-101, Standards for Disclosure for Mineral Projects ("NI 43-101").

Lola Graphite Property (Permit de Recherche, PR 4543)

Sama Guinee owns 100% in four licenses (Permit de Recherche, PR 4543) to explore a combined 187 square kilometers of property near the town of Lola in eastern Guinea. The occurrence is within 50 km from the border with Guinea and located 3.5 km west of the town of Lola **(Figure 1)**. The property is centered on UTM WGS 84 zone 29N latitude 7° 48' 00'' (UTM 863,000 N) and longitude 8° 32' 00' (UTM 551,000E). The area includes the communities of Lola and several smaller villages.

An Exploration license gives the applicant the right to explore for minerals a certain time period as prescribed by the Mining law and regulation. In Guinea, the land is federal and as such application to the government, through the Mine and Energy Department, is required to obtain an Exploration license. Pursuant to Sama Guinee's request in 2012, the Republic of Guinea awarded Sama Guinee, through the Arrété No A2013/4543/MMG/SGG dated September 2, 2013, the Lola Graphite Exploration licenses for a first period of three years renewable for two additional periods of two years each.

There are no environmental liabilities associated with the licenses and there are no surface right agreements in place or being negotiated

Sama Guinee has agreed to complete an exploration program of GNF 9,361,376,000 (approximately $1,302,030 as at September 30, 2017) by August 29, 2018.

In July 2017, Sama Guinee applied for two Reconnaissance licenses located north and south of the PR4543 (**Figure 1**). these two reconnaissance licenses have a validity of 6 months and will give Sama Guinea the opportunity to quickly explore for additional graphite mineralization at surface along both sides of the general strike of the Lola deposit. A Reconnaissance license gives the applicant the right to quickly investigate the potential for minerals for only six months. Following the six months period, then the Company have the opportunity to apply for additional Exploration licenses as prescribed by the Mining law and regulation

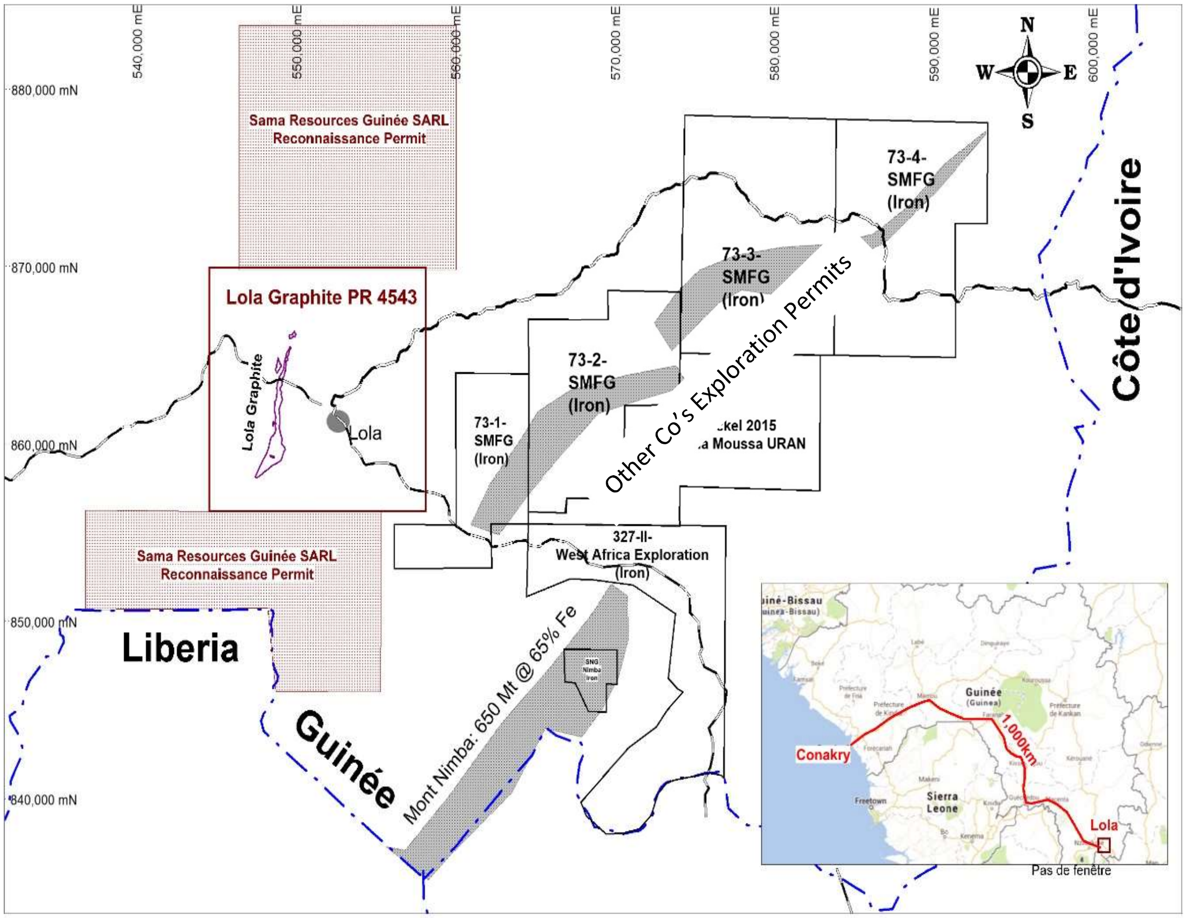


Figure 1: Exploration and Reconnaissance permits in Guinea.

Exploration Update

The Lola Graphite deposit is 8.7 kilometers long with an average width of 370, and up to 1,000 meters wide (Figure 2). The first 20 meters or so of the deposit is well weathered (lateralized), allows freeing graphite flakes from the silicate gangue and allowing for an easy grinding with optimal recovery of all large and jumbo flakes. The graphite mineralization continues at depth within the non-weathered sheared gneiss.

The graphite mineralization is well exposed at surface on its entire strike length with sample grades ranging from trace to up to 20% of graphitic carbon ("Cg") and often seen in higher concentration agglomerates.

A 4,800m drilling program is ongoing. The drilling program started on March 07 with 4,404 m completed by September 30, 2017. It is anticipated that drilling will continued until December 2017. The **Table 1** is showing few drilling results as of October 10, 2017. The current drilling is aiming at testing the weathered portion of the deposit from surface to approximately 20 m deep, quite often deeper, with a few meters drilled within the fresh rock. The thickness of the weathering profile is variable and extend down to 50m in many locations. It is expected that the 2017 drilling program will cover approximately 16% of the entire surface area of the deposit (**Figure 2**). **Figures 3 and 4** are showing geological cross-sections with Cg% results from drill holes within the weathered profile at the Lola Graphite deposit.

Three metallurgical tests were performed at Activation Laboratory (Actlab), Ontario, Canada in 2014, 2015 and 2016. In 2014, the first test was performed on two of Lola's most prominent mineralized facies, the oxide material and the underlying non-oxide material (below 20 meters) while tests performed in 2015 and 2016 focused exclusively on the oxide material.

Laboratory work and analysis conducted by ProGraphite since April 2017 on the Lola Graphite concentrate returned excellent results indicating that graphite from the Lola deposit is suitable for a very wide range of graphite applications, including the important traditional markets like refractories, crucibles, friction products, carbon brushes and sealing. Additionally, the combination of very favorable ash composition, high crystallinity, high oxidation resistance and excellent purification behavior makes the graphite very valuable for demanding new tech applications, including energy applications and particularly with regard to spherical graphite for Lithium Ion Batteries.

ProGraphite Main Observations:

- The high proportion of large flakes of the concentrate is remarkable. Only very few flake graphite deposits have such a high flake yield. This is a major advantage for the Lola deposit, as the large flakes trade at significantly higher prices.
- The concentrate was screened to get particle size distribution information with very favorable results: very coarse material, 2/3 of the graphite is large flake (+80 mesh), and 1/3 is "jumbo" flake material (+50 mesh).
- Compared to -100 mesh graphite of the same carbon grade, the market price for +50 mesh material is more than double, which makes the Lola deposit much more valuable.
- Main elemental impurities are Si, Al and Fe, which is typical for flake graphite. Impurities known to cause trouble in various applications, such like S or heavy metals are naturally on very low levels in the Lola graphite concentrate.
- Key advantages of Lola graphite are the favorable ash composition and the comparably low efforts required to attain high carbon grades.
- The graphite is of very high crystallinity, which means that the graphite crystals are almost perfect, making this graphite suitable for highly demanding applications like Lithium Ion batteries or synthetic diamonds.
- Purification tests verified that the graphite could easily be upgraded with standard processes to levels above 99.5%; with most elements, already under the limits for battery application. The purification performed was "mild" compared to the "harsh" purification usually applied for Lithium-Ion battery grade, thereby attesting again to the likelihood that the material will be very suitable for such an application.
- The volatiles are low, oxidation resistance is very high and the specific surface area is in the normal range.
- The graphite from the Lola deposit has a high bulk density (>700 g/l), typical Chinese graphite has bulk densities of 450-550 g/l for +80 mesh.

The **Table 2** is showing the composition of graphite concentrate produce at ProGraphite in August 2017

Table 1: Selected mineralized intervals at the Lola Graphite Deposit. Intervals were defined using 1.0% Cg cut-off grades ("cog").

HOLE-ID	FROM m	LENGTH m	CG %
LL45-028438	0.00	26.50	5.09
*including *1*		*10.50*	*8.00*
*including *2*		*3.00*	*10.90*
LL45-052446	0.00	34.50	3.16
*including *1*		*4.50*	*10.70*
*including *2*		*1.50*	*17.10*
LL45-070451	0.00	39.00	3.34
*including *1*		*9.00*	*6.20*
LL45-011373	3.00	31.00	5.76
*including *1*		*14.67*	*9.80*
*including *2*		*5.00*	*16.32*
LL45-094198	0.00	33.00	4.30
*including *1*		*9.50*	*9.00*
*including *2*		*3.50*	*12.41*
LL45-112206	0.00	34.50	5.36
*including *1*		*21.75*	*7.60*
*including *2*		*1.00*	*10.90*
*including *2*		*1.00*	*18.50*
LL45-131212	0.00	22.70	4.56
*including *1*		*9.00*	*6.60*
LL45-148219	0.00	15.00	5.33
*including *1*		*9.00*	*7.50*
LL44-768470	23.00	13.00	14.22
*including *1*		4.50	36.97

HOLE-ID	FROM m	LENGTH m	CG %
LL36-119389	0.00	27.30	2.58
LL36-143397	0.00	21.00	2.77
LL36-262441	0.00	55.50	8.92
*including *1*		48.00	10.06
*including *2*		22.50	15.15
LL36-289450	0.00	46.10	6.80
*including *2*		7.50	11.83
LL36-313459	0.00	40.00	4.89
*including *1*		21.00	7.75
*including *2*		7.00	11.84
LL36-337469	0.00	12.00	1.36
LL36-239433	0.00	36.00	6.69
*including *1*		21.50	10.27
*including *2*		11.50	14.95
LL36-217425	0.00	36.30	5.84
*including *1*		16.80	10.24
*including *2*		7.80	17.41
LL36-191413	0.00	37.40	4.32
*including *2*		1.50	10.10
LL36-167405	1.50	24.00	3.51
*including *2*		2.00	12.60
LL36-205528	4.50	30.50	5.72
*including *2*		5.00	12.12
LL36-228537	0.00	45.00	5.70
*including *2*		9.00	12.28

*1 3% Cg cut-off grade (average grade of combined intervals).
*2 10% Cg cut-off grade (average grade of combined intervals).
True thickness perpendicular to foliation is 67% of the drilled thickness

Table 2: ProGraphite Metallurgical tests results. Subdivision of the jumbo flakes into jumbo and super-jumbo sizes, August 2017.

Flake size	mm	Proportion %	%Cg	%Ash
+ 45 Mesh (Jumbo)	>0.35	46.4	96.0	3.9
+ 80 Mesh (Large)	>0.18	33.5	95.0	4.8
+ 100 Mesh (Medium)	>0.15	15.3	94.3	5.7
- 100 Mesh (Fine)	<0.15	4.9	90.8	8.7

In 2013, SRG supported M. Sékou Oumar Sow, a Guinean geological student at the University of Franche Conté, France, with his under-graduate study. The study aimed at the mineralogical and petrological characterisations of the mineralisation as well as the host rock. The study was under the supervision of Professor Christian Picard.

Since Sow's study, several investigations have been completed at the University Grenoble-Alpes by Professor Picard to further clarify the Mineralogical characteristics of the graphite mineralization with attempt at dating the age of the graphite mineralization.

In summary, the graphitic mineralization is hosted within a quartzo-feldspath-biotite-sillimanite rich paragneiss with zircon, monazite and rutile as accessory minerals. Graphite mineralization is present as natural flakes of 0.25 to 1 mm in size. Graphite flakes appears to be cogenetic with biotite and sillimanite. Pyrite and minor chacopyrite are also present in the fresh rock but are absent in the weathered material.
The Environmental Baseline Study ("EBS") was launched March 10, 2017. The Ivorian group "SIMPA" has been contracted to complete the EBS and the subsequent Impact Study. The EBS is progressing well with approximately 60% completed.

During the nine-month period ended September 30, 2017, the Company capitalized $1,062,550 at the Lola Graphite Property.

Estimated expenditures

The current estimate for expenditures on the Lola Graphite Property (both corporate and capitalized expenditures) for the next year is approximately $1,100,000. The proceeds will be use for the following work:

- To complete the current 4,800m drilling program with an additional 1,500m to be drilled by December 2017.
- To continue metallurgical test works to refine the flotation flowsheet
- To complete the Environmental Baseline Study.
- To complete the PEA by end of December 2017
- To launch the environmental impact study in Q1 of 2018
- To complete the Feasibility study by mid-2018
- Collect representative bulk samples for further analysis and to provide concentrate samples to potential clients

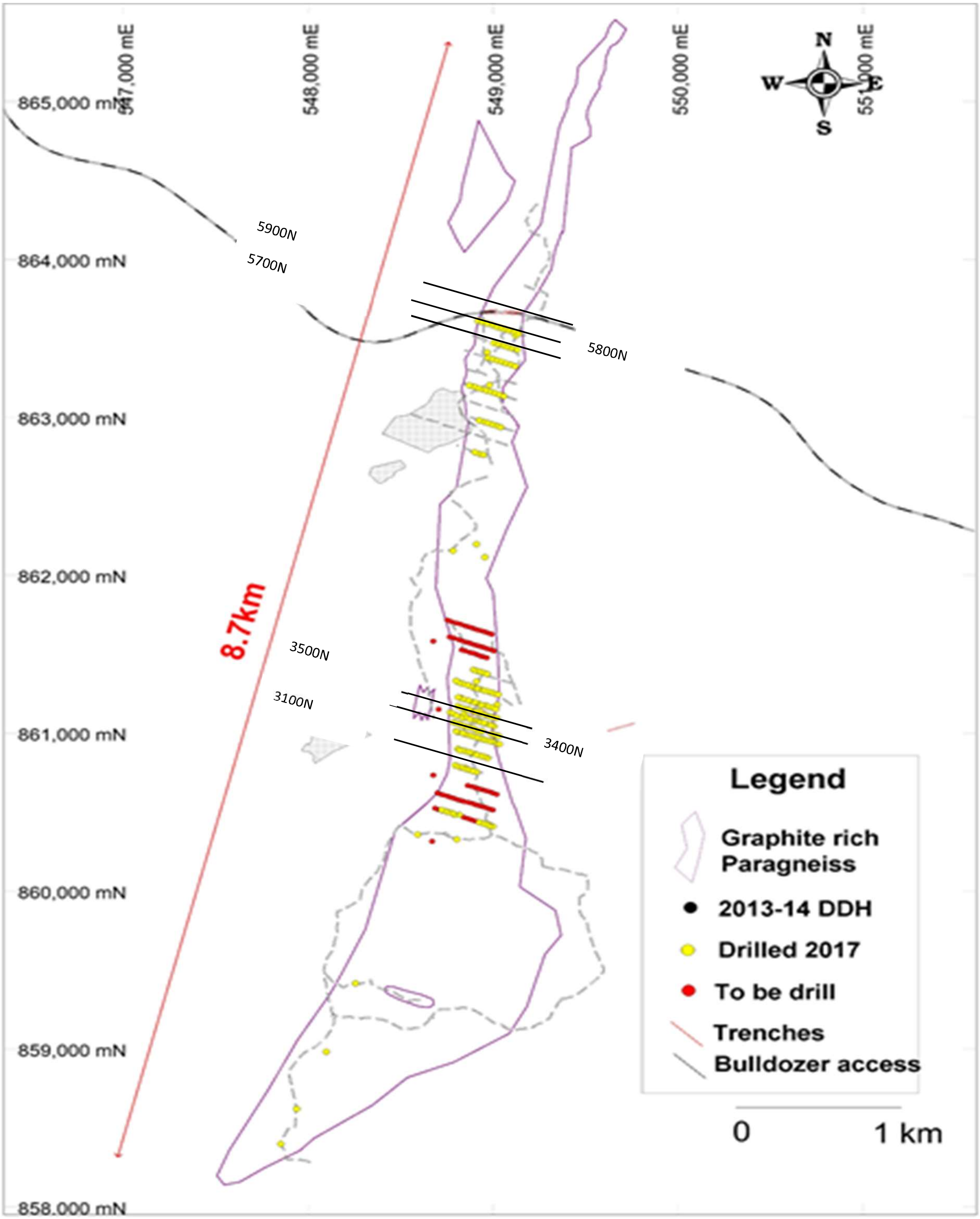


Figure 2: Lola Graphite deposit showing the 2017 drilling program with completed holes as September 30, 2017.

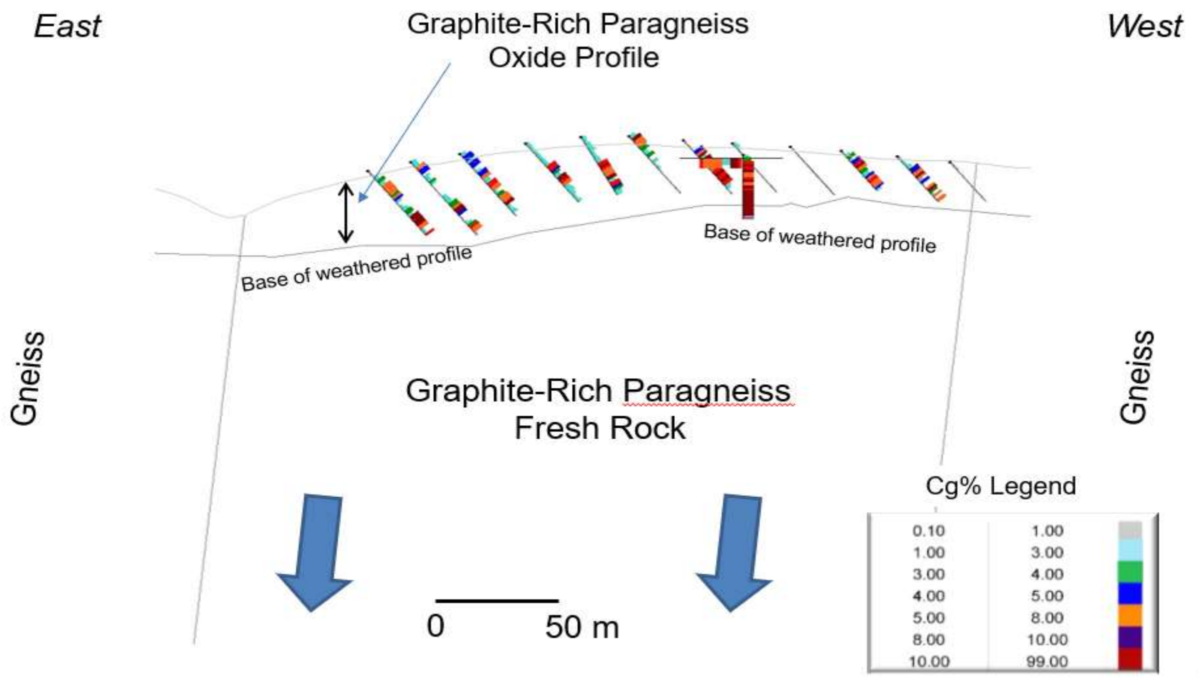


Figure 3: Cross section 3500N showing Cg% for the weathered profile at the Lola Graphite (see Figure 2 for locating section)

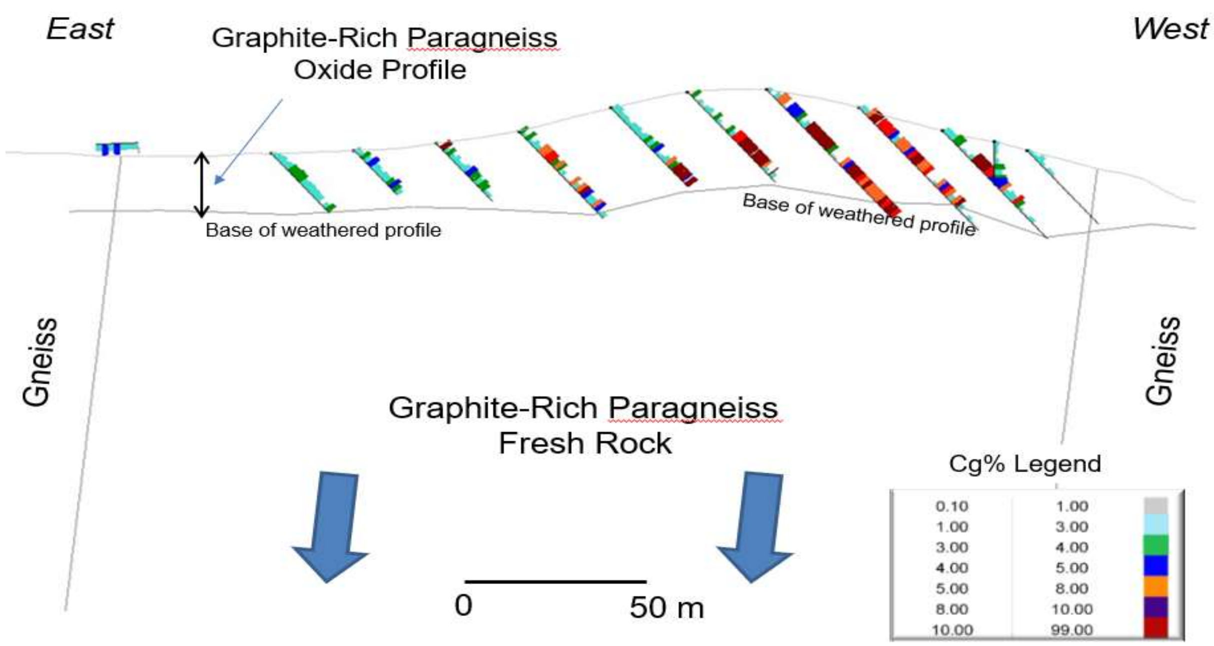


Figure 4: Cross section 5800N showing Cg% for the weathered profile at the Lola Graphite (see Figure 2 for locating section)

Figure 5: Lola Graphite deposit showing the Coretech drilling rig.

Figure 6: Core logging and sampling at the Lola Graphite project.

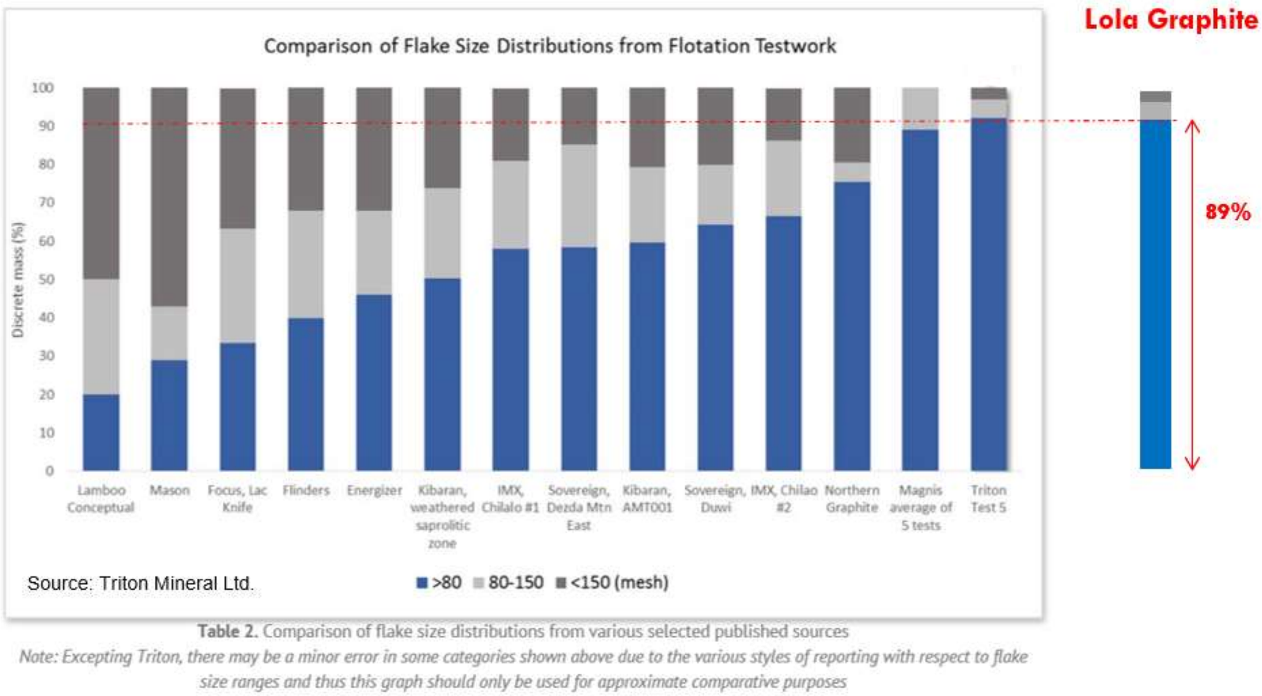


Figure 7: Comparison of Flake Size Distributions for Lola Graphite and other Selected Published Sources

NATURAL GRAPHITE FLAKE PROJECTED MARKET SIZE

Highlights:

- Growth Expectation in Electric Vehicles (EV) in China can change all predictions;
- Spherical Graphite is currently the biggest growing industry demand;
- Not all graphite is the same;
- India is a large growing market for graphite flakes: in infrastructure development but also for EV and Stationary applications;
- The day India will "wake-up", the need for natural graphite flakes will go ballistic in all possible markets.

The world graphite market is dominated by a few long-established mature players and uses requiring large volumes, but with several specialist applications requiring lower volumes.

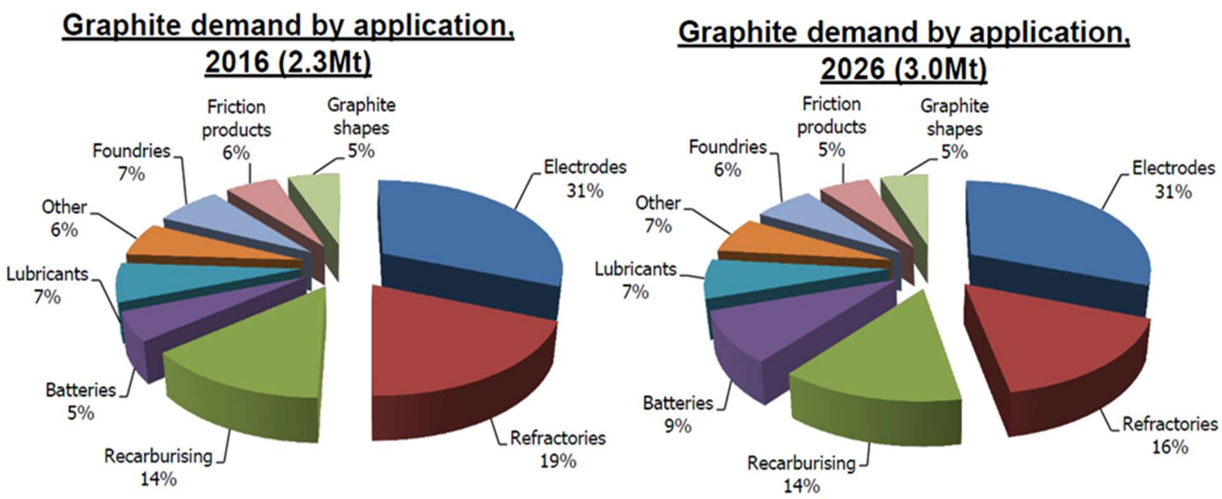
More recently, a new game changer come along in the energy industry – Li-ion batteries – which could potentially require a great deal of graphite in the future.

In 2015, the global graphite market (synthetic and natural) was approximately 2.7Mt per year and was worth approximately US$14B.

According to Persistence Market Research, the graphite market has bifurcated on the basis of form (natural graphite and synthetic graphite). Synthetic graphite is further sub-segmented on the basis of form (graphite electrode, carbon fiber, graphite blocks, graphite powder, and others). The graphite market is also segmented on the basis of end-uses (electrode, refractory, lubricant, foundry, battery, and others). All the segments provide market size and forecast by volume and by value. The synthetic graphite segment held the largest share of USD 12.49 billion in the graphite market in 2013 and is expected to reach USD 16.06 billion by 2020 at a CAGR of 3.7% from 2014 to 2020.

In terms of volume, the global graphite market grew from 2.19 million tons in 2010 to 2.68 million tons in 2013 at a CAGR of 7.1%.

Graphite Consumption by Industry 2016 (source: Roskill March 2017)



According to Roskill 2016, the Lithium-ion batteries will grow to account for 9% of total graphite demand by 2026 as traditional markets remain slow.

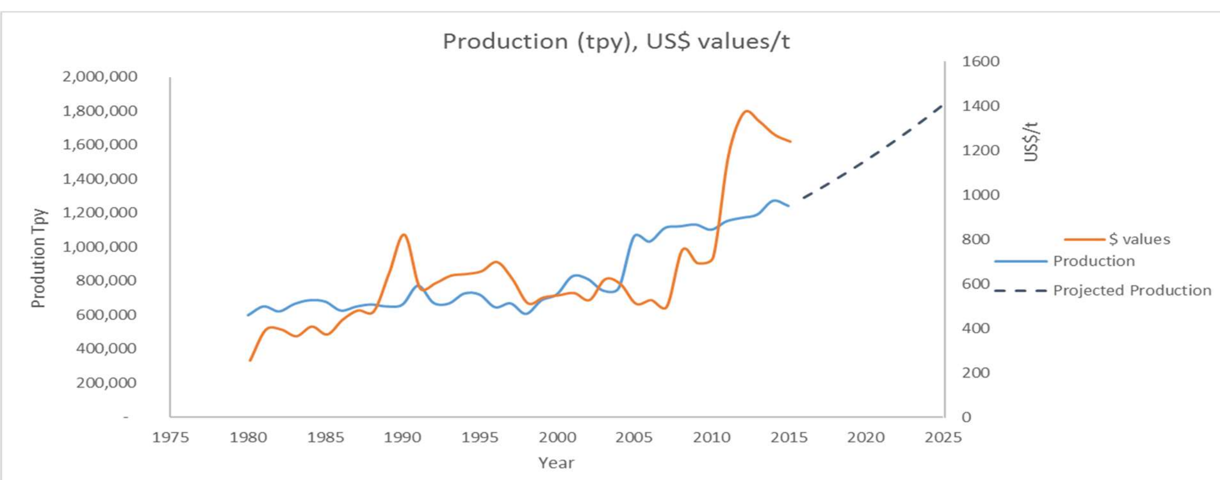
The global demand for graphite has been increasing steadily since the start of the new millennium and from 2000 to 2010 international consumption has doubled. Graphite is considered a key, strategic material in the emerging green technology economy, which includes advances in energy storage, electric vehicles, photovoltaics and electronics from smartphones to laptops. In 2012-13, China produced 73% of the world global natural flake graphite production, mainly used for internal market. China contribution to the world natural flake graphite production has been reduced to 67% in 2015 with several additional mines closure in 2016 due to raising local production costs and failure to meet environmental new regulations.

Currently, the USA, Canada, Japan, Korea, Taiwan and Europe are seeking alternative sources to China. This situation provides the opportunity to develop new mines presenting attractive alternatives to existing supply.

Analysts Reports

A recent report from P&S Market Research estimates that from 2015 to 2020, the graphite market will grow at a compound annual growth rate of 4%. The global graphite market was valued at US$15.06B in 2015.

Current Market



The market for natural graphite is expected to grow between 3% and 9% between 2015 and 2020.

If you consider that there is more graphite in a lithium ion battery than lithium, the cost of graphite to a battery could be as, if not more, significant than lithium. It just has not been considered because the price of flake graphite feedstock is low and there is a synthetic substitute.

According to an independent research company (Benchmark Mineral Intelligence), Tesla's Gigafactory 1 is expected to require over **42,000 tons of graphite anode material every year** at a 35GWh capacity of new cell production. In early 2017, Tesla CEO, Elon Musk spoke of three new potential Gigafactories for post-2020 production, which would have a major impact on the raw materials, such as graphite, necessary to fuel these plants.

The market growth for graphite comes from lithium-ion batteries. Batteries represent the most significant demand driver for battery-grade (coated spherical or 'CSPG') graphite.

There are two types of CSPG graphite used in Li-ion batteries — synthetic and natural. Due to cost and performance efficiencies, many battery manufacturers are transitioning to natural graphite.
Within the lithium-ion battery market itself, there are three main market segments.

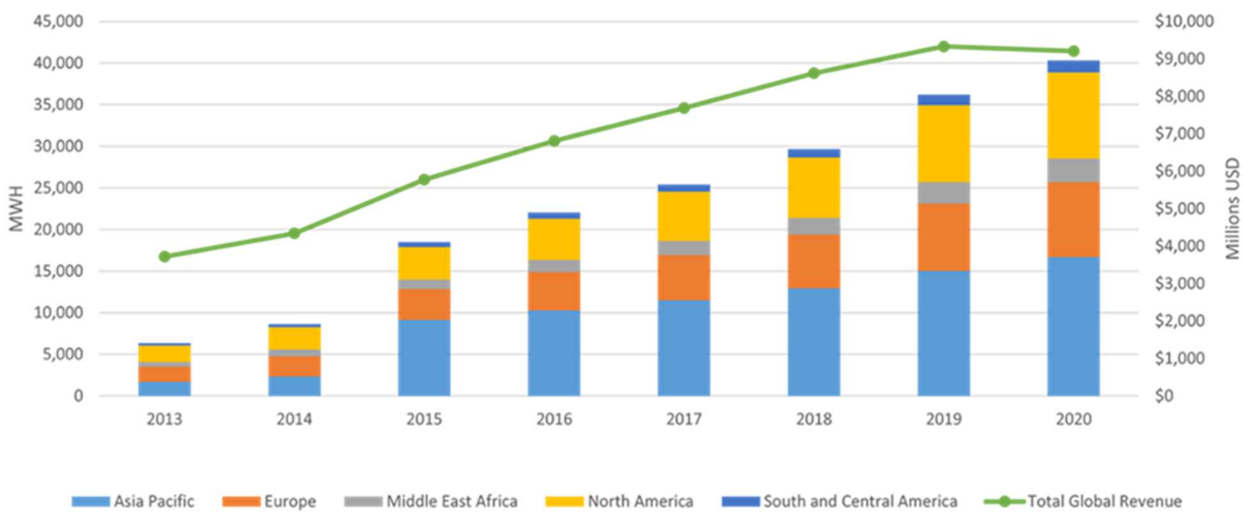
1. **Transportation Batteries**: to power electric vehicles; the electrification of automotive is evolving rapidly from niche to mainstream (significant forecasted growth)

2. **Stationary Storage Batteries**: energy storage for electrical grid, commercial and residential buildings; also, referred to grid-storage batteries (exponential forecasted growth)

3. **Consumer Electronics Batteries**: smartphones, laptops, tablets, wearable electronics, power tools, and other battery-powered devices (moderate forecasted growth)

Transportation Batteries

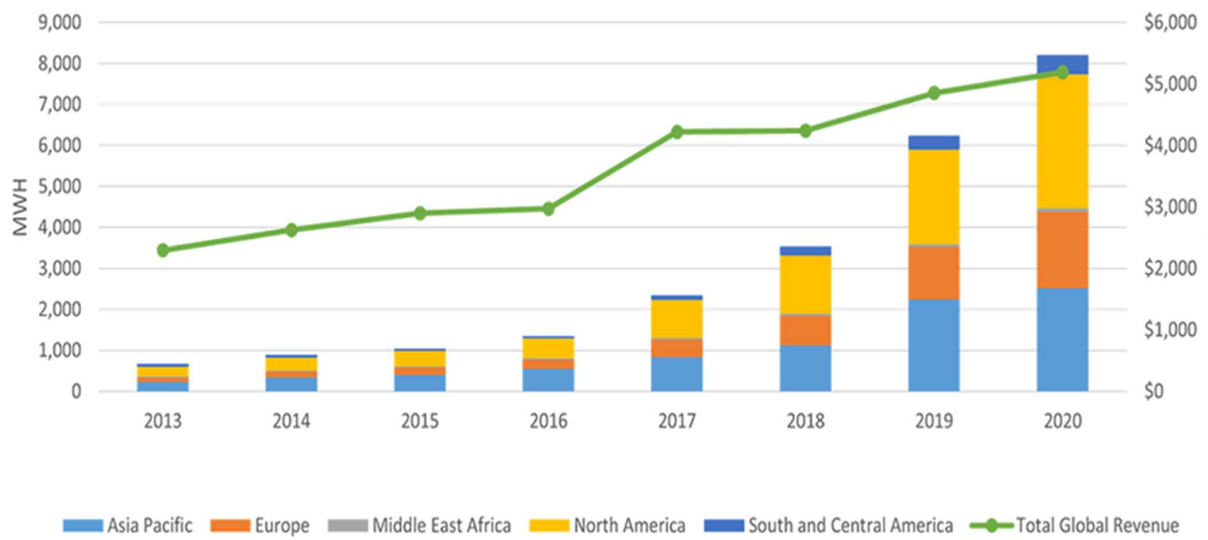
All Applications in Energy Capacity by Region and Global Revenue (2013-2020)



Overall, battery sales into the transportation sector will grow from 18.5 GWh in 2015 to 40.3 GWh in 2020. Revenue will grow from USD$5.7 billion to USD$9.2 billion, representing a CAGR of 9.8% (source: Cairn Energy Research Advisors, 2015)

Stationary Batteries

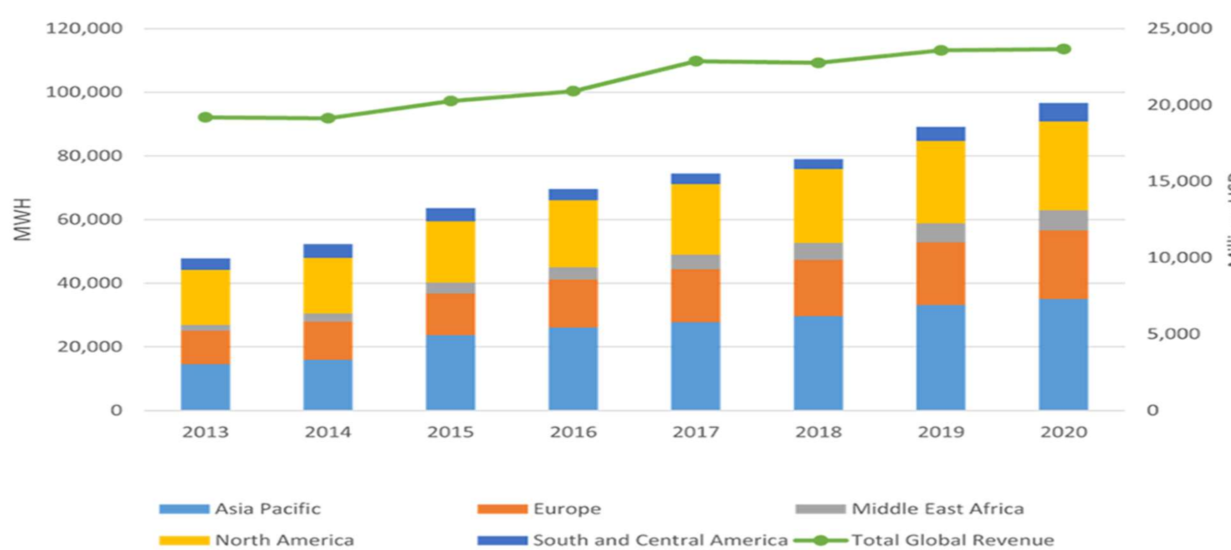
All Applications in Energy Capacity by Region and Global Revenue (2013-2020)



Stationary storage battery sales will grow from 671 MWh in 2013 to 8.2 GWh in 2020. The 2015 to 2020 forecasted CAGR is 51.1%. Revenue will grow from USD$2.3 billion in 2013 to USD$4.8 billion in 2020. The forecasted CAGR for revenue growth between 2015 and 2020 is 12.4% (source: Cairn Energy Research Advisors, 2015)

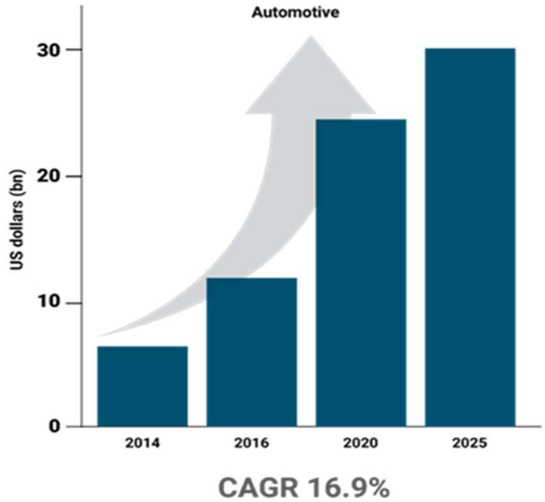
All Battery Market Segments

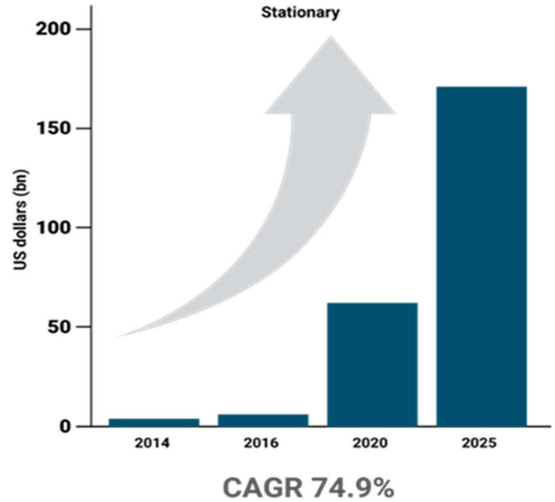
Global Battery Forecast — Transportation, Stationary and Consumer Electronic Segments Combined (2013-2020)



The global battery market will nearly double in size from 47.7 GWh in 2013 to 96.6 GWh in 2020, representing a 5-year CAGR of 8.7% for the next 5 years *(source: Cairn Energy Research Advisors, 2015)*

Panasonic's Forecast for Lithium-ion Battery Growth





(source: Benchmark Mineral Intelligence/Panasonic Corporation, 2015)

*** source: Industrial Minerals (October 2015)**
**** source: Benchmark Mineral Intelligence (September 2015)**

SELECTED FINANCIAL INFORMATION

Liquidity risk

Management of the Company believes that it has sufficient funds to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue future operations beyond September 30, 2018, and fund its exploration and evaluation expenditures is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity instruments. Management will pursue such additional sources of financing when required, and while management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

Financial Position Analysis

The information presented at September 30, 2017 and December 31, 2016, represents the consolidated information of SRG following the Reverse Takeover transaction while those for the year ended December 31, 2015 are those of Sama Guinee only.

	September 30, 2017	December 31, 2016	December 31, 2015
	$	$	$
Total assets	4,874,048	2,949,322	448,349
Total liabilities	178,994	647,518	1,787,086
Total equity (deficiency)	4,695,054	2,301,804	(1,338,737)
Working capital (deficiency)*	2,902,042	1,624,173	(1,784,074)

*Working capital is a measure of current assets less current liabilities.

Assets

Total assets at September 30, 2017 were $4,874,048 compared to $2,949,322 at December 31, 2016, an increase of $1,924,726 mainly due to an increase in cash of $598,871, in prepaid expenses and deposits of $182,476 and in exploration and evaluation assets of $1,062,550. The increase in prepaid expenses and deposits is mainly related to a payment made in advance of $24,000 on an investor relation agreement, to a deposit of $47,907 to undertake a Preliminary Economic Assessment and a total payment of $106,206 on two vehicles not delivered yet.

Liabilities

Total liabilities at September 30, 2017 were $178,994 compared to $647,518 at December 31, 2016, a decrease of $468,524. Accounts payables and accrued liabilities have decreased by $151,574, due to the major shareholder by $267,590 and the due to the related company by $49,360. The Company was able to make these payments as a result of the private placement completed as part of the Reverse Takeover transaction at the end of 2016 and to the completion of a non-brokered private placement in August 2017.

Equity

At September 30, 2017, the Company had an equity of $4,695,054 compared to $2,301,804 at December 31, 2016, an increase of $2,393,250 mainly due to a non-brokered private placement of $3,000,000 and to the recognition of a stock-based compensation of $1,033,924. However, these increases were offset by the period net loss of $1,672,312.

Operating Results analysis

Readers are invited to take into consideration that the results herein presented for the three-month and nine-month period ended on September 30, 2017 represent the consolidated results of SRG Graphite Inc. and its subsidiary following the Reverse Takeover transaction, which results are being compared to past financial results of Sama Guinee only.

	Three-month period ended September 30, 2017	Three-month period ended September 30, 2016	Nine-month period ended September 30, 2017	Nine-month period ended September 30, 2016
	$	$	$	$
Revenues	-	-	-	-
Net loss	488,379	2,342	1,672,312	17,770
Net loss per share	0.01	0.00	0.03	0.00

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

For the three-month period ended September 30, 2017, the Company recorded a net loss of $488,379 compared to $2,342 for the same period in 2016, an increase of $486,037. This increase in net loss is mainly due to the recognition of a stock-based compensation ($278,464), to an increase in consulting fees ($60,639), accounting fees ($28,909), travel and representation ($13,673), office administration ($19,968), office supplies, utilities and rent ($20,431) and foreign exchange loss ($44,965). The increase in foreign exchange loss is related to the fluctuations of the Guinean franc compared to the Canadian dollar. Most of these increases are directly attributable to the consolidation of results of SRG Graphite Inc. and its subsidiary following the completion of the Reverse Takeover transaction on December 31, 2016.

NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017 COMPARED TO THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

For the nine-month period ended September 30, 2017, the Company recorded a net loss of $1,672,312 compared to $17,770 for the same period in 2016, an increase of $1,654,542. This increase in net loss is mainly due to the recognition of a stock-based compensation ($1,033,924), to an increase in consulting fees ($128,047), accounting fees ($40,618), travel and representation ($74,140), office administration ($96,865), office supplies, utilities and rent ($61,579), investor relation fees ($68,000) and foreign exchange loss ($90,254). The increase in foreign exchange loss is related to the fluctuations of the Guinean franc compared to the Canadian dollar. Most of these increases are directly attributable to the consolidation of results of SRG Graphite Inc. and its subsidiary following the completion of the Reverse Takeover transaction on December 31, 2016.

Cash Flows analysis

	Three-month period ended September 30, 2017	Three-month period ended September 30, 2016	Nine-month period ended September 30, 2017	Nine-month period ended September 30, 2016
	$	$	$	$
Cash required by operating activities	(300,536)	(1,964)	(1,050,847)	(16,590)
Cash required by investing activities	(373,462)	(86,387)	(1,064,970)	(141,147)
Cash generated by financing activities	2,994,224	109,388	2,714,688	179,619

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Operating Activities

For the three-month period ended September 30, 2017, operating activities required cash flows of $300,536 compared to $1,964 for the same period in 2016, an increase of $298,572. This increase in the use of cash flows is mainly due to the net loss increase after adjustment for items not affecting cash which went from $1,969 in 2016 to $209,613 in 2017. In addition, non-cash working capital items required cash flows of $90,623 compared to generated cash flows of $5 for the same period in 2016.

Investing Activities

For the three-month period ended September 30, 2017, investing activities required cash flows of $373,462 compared to $86,387 for the same period in 2016, an increase of $287,075 due to exploration and evaluation expenditures which required cash flows of $371,456 in 2017 compared to $86,387 in 2016 and to property and equipment acquisition of $2,006 in 2017.

Financing Activities

For the three-month period ended September 30, 2017, financing activities generated cash flows of $2,994,224 compared to $109,388 for the same period in 2016, an increase in generated cash flows of $2,884,836. This increase is mainly due to the non-brokered private placement for total proceeds of $3,000,000.

NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017 COMPARED TO THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Operating Activities

For the nine-month period ended September 30, 2017, operating activities required cash flows of $1,050,847 compared to $16,590 for the same period in 2016, an increase of $1,034,257. This increase in the use of cash flows is mainly due to the net loss increase after adjustment for items not affecting cash which went from $16,677 to $637,018 in 2017. In addition, non-cash working capital items required cash flows of $413,829 in 2017 compared to generated cash flows of $87 for the same period in 2016.

Investing Activities

For the nine-month period ended September 30, 2017, investing activities required cash flows of $1,064,970 compared to $141,147 for the same period in 2016, an increase of $923,823 due to exploration and evaluation expenditures which required cash flows of $1,002,077 in 2017 compared to $141,147 in 2016 and to property and equipment acquisition of $62,893 in 2017.

Financing Activities

For the nine-month period ended September 30, 2017, financing activities generated cash flows of $2,714,688 compared to $179,619 for the same period in 2016, an increase in generated cash flows of $2,535,069 mainly due to the non-brokered private placement for total proceeds of $3,000,000 and to the exercise of options and warrants which generated cash flows of $47,650. However, these inflows were offset by the repayment of the due to the major shareholder and the repayment of a portion of the due to the related company of $267,590 and $49,360 respectively.

Quarterly Results Trends

The operating results for each of the last eight quarters are presented in the following table. Management considers that the information for each of those quarters was determined in the same way as for our audited financial statements for the year ended December 31, 2016.

Readers are invited to take into consideration that the results herein presented following the Reverse Takeover transaction on December 31, 2016 represent the consolidated results of the Company, which results are being compared to past financial results of Sama Guinee.

	Sept 30, 2017	June 30, 2017	March 31, 2017	Dec 31, 2016	Sept 30, 2016	June 30, 2016	March 31, 2016	Dec 31, 2015
	$	$	$	$	$	$	$	$
Operations:								
Revenues	-	-	-	-	-	-	-	-
Net loss	(488,379)	(559,444)	(624,489)	(726,726)*	(2,342)	(10,929)	(4,499)	(8,535)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.03)	(0.00)	(0.00)	(0.00)	(0.00)

* The main impact in net loss is due to the listing expense of $589,017 recognized as part of the Reverse Takeover transaction.

TRANSACTIONS WITH RELATED PARTIES

Transactions with key management personnel

During the nine-month period ended September 30, 2017, the Company incurred accounting fees of $41,000 (for the nine-month period ended September 30, 2016 – nil) with the Chief Financial Officer. These fees are recorded under accounting fees.

During the nine-month period ended September 30, 2017, the Company incurred legal fees of $13,500 (for the nine-month period ended September 30, 2016 – nil) with an officer. These fees are recorded under legal fees.

During the nine-month period ended September 30, 2017, the Company incurred consulting fees of $61,668 (for the nine-month period ended September 30, 2016 – $36,408) with a corporation controlled by a director who is also the President and Chief Executive Officer. An amount of $12,334 (for the nine-month period ended September 30, 2016 – nil) has been recorded under consulting fees and an amount of $49,334 (for the nine-month period ended September 30, 2016 – $36,408) has been capitalized to the Company's exploration and evaluation assets.

During the nine-month period ended September 30, 2017, the Company recognized a stock-based compensation of $463,953 (for the nine-month period ended September 30, 2016 – nil) in connection with stock options granted to officers and directors.

Transactions with related parties:

During the nine-month period ended September 30, 2017, the major shareholder charged a total amount of $9,219 which was recorded under utilities and rent (for the nine-month period ended September 30, 2016 – nil).

As of September 30, 2017, the related company had advanced a total of $65,846 (major shareholder and related company had advanced a total of $382,796 as at December 31, 2016) to the Company to fund the Company's ongoing activities. These advances are non-interest bearing, unsecured and due on demand.

Termination and Change of Control Provisions

Certain agreements between the executive team and the Company contain termination without cause and change of control provisions.

Certain employment agreements between the executive team and the Company contain termination without cause and change of control provisions. Assuming that all members of the executive team had been terminated without cause on September 30, 2017, total amounts payable to the executive team in respect of severance would have totaled $257,000. If a change of control had occurred on September 30, 2017, total amounts payable to the executive team in respect of severance, if elected by each executive team member would have totaled $257,000.

However, the severance payable to the President and Chief Executive Officer would be paid jointly between the Company and Sama Resources Inc., the major shareholder since the services performed under the agreement are to be allocated between both companies on the pro-rata basis on the time spent to each company.

OUTSTANDING SHARE DATA

	Number of Shares Outstanding (Diluted)
Outstanding as of October 26, 2017	56,158,969
Shares reserved for issuance pursuant to warrants outstanding	2,670,750
Shares reserved for issuance pursuant to stock options outstanding	4,208,000
Shares outstanding - fully diluted	63,037,719

As at the date of this MD&A, the Company had outstanding stock options enabling holders to acquire common shares of the Company as follows:

Number Outstanding	Exercise Price	Expiry Date
	$	
3,583,000	0.365	February 20, 2027
200,000	0.365	February 28, 2019
200,000	0.410	June 21, 2022
200,000	0.500	March 31, 2027
25,000	0.360	June 14, 2027
4,208,000		

As at the date of this MD&A, the Company had outstanding warrants enabling holders to acquire common shares of the Company as follows:

Number	Exercise Price	Expiry Date
	$	
48,750	0.365	November 3, 2017
2,625,000	0.500	August 30, 2019
2,673,750		

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors and/or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Canada Business Corporations Act dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the federal laws of Canada, the directors and officers of the Company are required to act honestly, in good faith, and in the best interests of the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is full disclosure of the Company's critical accounting policies and accounting estimates in Note 3 of the audited consolidated financial statements for the year ended December 31, 2016.

ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant changes in the underlying assumptions could result in significant changes to these estimates. Consequently, management reviews these estimates on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about these significant judgments, assumptions and estimates that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are disclosed in Note 4 of the audited consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Exploration and Evaluation

Mineral exploration and evaluation is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral claims to which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Supplies, Health and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surfaces access, skilled labour, healthy labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. In Guinea, power may need to be generated onsite.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, transfers, or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in most countries provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability. Unfavorable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

The Company's activities are conducted in Guinea, Africa. Consequently, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Operating Hazards and Risks

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.