MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

March 31, 2015

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The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Standard Graphite Corp. (the "Company") as at as at March 31, 2015 and for the comparative period then ended March 31, 2014. This MD&A should be read in conjunction with the un-audited condensed financial statements for period ended March 31, 2015 and March 31, 2014 and related notes.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The effective date of this MD&A is May 26, 2015.

Throughout the report we refer to Standard Graphite, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Standard Graphite Corp. Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website www.standardgraphite.com.

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, interpretation of results from exploration work programs completed to date and the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Standard Graphite assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

The forward-looking information in this MD&A is based on management's current expectations and Standard Graphite assumes no obligations to update such information to reflect later events or developments, except as required by law.

Overall Performance and Results of Operations

The Company was incorporated in the Province of British Columbia on September 18, 2006 under the *Business Corporations Act* of British Columbia. On January 27, 2012 the Company received shareholder approval to change the Company's name to Standard Graphite Corp. Effective February 3, 2012 Company commenced trading on the TSX Venture Exchange (the "Exchange") under the symbol "SGH". The Company a Tier 2 issuer and its corporate office and principal place of business are located at 350 – 409 Granville Street, Vancouver, B.C. V6C 1T2.

The Company is primarily engaged in the acquisition and exploration of graphite mineral properties located in Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company's primary focus is the exploration and development of its optioned Mousseau East Property and its recent acquisition of the Diego Property located in Quebec.

Exploration and Evaluation Assets

Mousseau East Property

The Mousseau East Property is located 40 Km northeast of Mont-Laurier in northwestern Quebec and approximately 50 Km's from Timcal Canada Inc.'s producing Lac-des-Iles Graphite Mine.

In October 2014, the Company and vendor amended the terms of the Mousseau revising the $200,000 cash payment and $200,000 common shares due on July 20, 2014 noted hereinabove to:

- **(i)** $10,000 within 30 days of execution of the Amending Agreement; (paid)
- **(ii)** $15,000 within 90 days of execution of the Amending Agreement;
- **(iii)** $25,000 within 180 days of execution of the Amending Agreement;
- **(iv)** $50,000 within 30 days from the commencement of an approved drill program;
- **(v)** $100,000 within 180 days from commencement of an approved drill program and no later than 18 months from execution of the Amending Agreement; and
- **(vi)** Within 5 business days from execution of the Amending Agreement, such number of Common Shares equal to $25,000 divided by the VWAP of the Common Shares; (issued 83,333 common shares)
- **(vii)** Within 30 business days from execution of the Amending Agreement, such number of Common Shares equal to $25,000 divided by the VWAP of the Common Shares (issued 83,333);
- **(viii)** On or before twelve months from the execution of the Amending Agreement, such number of Common Shares equal to $50,000 divided by the VWAP of the Common Shares; and
- **(ix)** Within 180 business days from the execution of this Amending Agreement, such number of Common Shares equal to $100,000 divided by the VWAP of the Common Shares.

Minimal work has been carried out during the current period as the Company works towards obtaining further working capital for exploration and overhead.

Further details of exploration work programs completed to date can be found on the Company's website www.standardgraphite.com.

Diego Property

On November 17, 2014 the Company entered into an agreement to acquire a 100% interest in the Diego Gold Project ("Diego Property") from Cartier Resources ("Cartier") in consideration for the issuance of 1,000,000 common shares of the Company. Cartier will retain a 2% net smelter return royalty, with each tranche of 1% NSR being redeemable for $1,000,000. The Company received Exchange approval on November 21, 2014 and issued the 1,000,000 common shares accordingly.

The Diego Property comprises 49 claims and is located 40 kilometres southwest of the town of Chapais, in the Province of Quebec.

In connection with the exploration work programs carried out to date the Company had capitalized the following exploration and developments costs as at March 31, 2015 and the comparative year ended June 30, 2014 as follows:

		Graphite Projects Quebec
Acquisition costs beginning of period June 30, 2014	$	939,942
Shares issued		39,500
Cash payments		10,000
Staking/cash in lieu fees		—
Expenditures during the period		49,500
Acquisitions costs as at December 31, 2014		989,442
Exploration costs beginning of period June 30, 2014	$	892,382
Assaying		—
Drilling		—
Geologist/Geophysics		—
Fieldwork & supplies		—
Mapping, misc		—
Site costs, travel		34,407
Permitting & legal		—
Technical reports		—
Expenditures during the period	$	34,407
Exploration costs as at December 31, 2014		926,789
Tax credits		(309,913)
Impairments		(608,828)
Balance as at March 31, 2015	**$**	**997,489**

		Graphite Projects Quebec		Graphite Projects Ontario		Total
Acquisition costs beginning of period June 30, 2013	$	722,418	$	340,000	$	1,062,418
Shares issued		106,646		54,160		160,806
Cash payments		100,000		—		100,000
Staking/cash in lieu fees		10,878		—		10,878
Expenditures during the period		217,524		54,160		271,684
Acquisitions costs as at June 30, 2014		939,942		394,160		1,334,102
Exploration costs beginning of period June 30, 2013	$	840,542	$	239,695	$	1,080,237
Geologist/Geophysics		15,726		1,320		17,046
Fieldwork & supplies		4,200		341		4,541
Mapping, misc		8,270		—		8,270
Site costs, travel		19,007		—		19,007
Permitting & legal		4,637		—		4,637
Expenditures during the period	$	51,840		1,661		53,501
Exploration costs as at June 30, 2014		892,382		241,356		1,133,738
Tax credits		(309,914)		—		(309,914)
Impairments		(608,828)		(635,516)		(1,244,344)
Balance as at June 30, 2014	$	913,582	**$**	**—**	$	913,582

Outlook

For the foreseeable future the Company's primary focus will be secure the required working capital to advance exploration and meet its payment obligations on its Quebec properties and complete its 43-101 report on the Mousseau East Property.

Results of Operations

Financial Results for the three and nine months ended March 31, 2015 and March 31, 2014:

The Company is an exploration stage company and experiences a moderate to high degree of variability in its quarterly results as a result of general and administrative costs not related to the direct activities of exploration and development or if the Company had revenues from mining operations. The costs may include marketing and development, corporate head office expenditures, management fees and expenses related to operating a public company and compliance thereof such as legal, filing, audit and regulatory fees. The Company also expenses any pre-exploration expenditure that may relate to engaging consultants to review acquisition opportunities and costs related if successful to the approvals and processes of entering into such agreements. In addition to general and administrative expenses the Company will also incur non-cash expenses in relation to share based payments under the Company's Stock Option Plan. The Company currently does not anticipate any funding from any future farm-in agreements or sale of projects as at the date of this report.

During the three months ended March 31, 2015 the Company reported a net loss of $86,529 and loss per share of $0.00 compared to a net loss of $148,496 and loss per share of $0.00 reported in the comparative period ended March 31, 2014. Additionally, during the three months ended March 31, 2015 Company recorded a fair value loss on available for sale investment of $600 for a total comprehensive loss of $87,129 compared to a $6,000 fair value loss for a total comprehensive loss of $142,496 for the period ended March 31, 2014. The net loss for the three months ended March 31, 2015 primarily consisted of the administrative and general expenses (see detailed description herein below) of $60,305 (March 31, 2014 - $108,431). Furthermore, the Company expended property evaluation costs of $25,500 (March 31, 2014 - $25,500) in connection with the ongoing review and focus on additional exploration and development acquisition opportunities.

During the nine months ended March 31, 2015 the Company reported a net loss of $276,667 and loss per share of $0.01 compared to a net loss of $457,706 and loss per share of $0.01 reported in the comparative period ended March 31, 2014. Additionally, during the nine months ended March 31, 2015 Company recorded a fair value loss on available for sale investment of $3,400 for a total comprehensive loss of $280,067 compared to a $8,000 fair value gain for a total comprehensive loss of $449,706 for the period ended March 31, 2014. The net loss for the nine months ended March 31, 2015 primarily consisted of the administrative and general expenses (see detailed description herein below) of $199,032 (March 31, 2014 - $367,364). Furthermore the Company expended $76,500 (March 31, 2014 - $76,500) in property evaluation costs.

The summary of variances in expenditures included:

	2015	2014	Variance	
	$	$	$	%
Accounting and legal	**322**	6,175	(5,853)	-95%
Consulting	**106,108**	148,501	(42,393)	-29%
Investor relations, website development and marketing	**975**	67,580	(66,605)	-99%
Office and administration fees	**18,852**	63,907	(45,055)	-71%
Regulatory fees	**10,697**	2,171	8,526	393%
Rent	**54,000**	54,000	-	0%
Shareholder communications	**4,372**	1,559	2,813	180%
Transfer agent fees	**3,257**	6,217	(2,960)	-48%
Travel	**449**	17,254	(16,805)	-97%
	199,032	367,364		

Significant variances to note were:

The decrease in expenditures for the periods ended March 31, 2015 was mainly due to the reduction of corporate development consultants and general office expenses. Additionally, corporate travel was curtailed reducing the expenditures in the current period. There were no changes to the monthly fees of $10,000 per month for the President and CEO and $75 per hour for the Company's CFO from the prior year and no management contracts were entered into during the nine months ended March 31, 2015.

Summary of Quarterly Results

The following table summarizes certain selected financial information reported by the Company for the each of the last eight quarters reported. The following quarter results are prepared in accordance with IFRS.

	March 31, 2015 ($)	**Dec. 31, 2014 (S)**	**Sept. 30, 2014 ($)**	**June 30, 2014 ($)**
Operations				
Revenue	—	—	—	—
Net Loss	(86,529)	(100,554)	(89,584)	(954,347)
Net Loss per Share	(0.00)	(0.00)	(0.00)	(0.02)
	March 31, 2014 ($)	**Dec. 31, 2013 ($)**	**Sept. 30, 2013 ($)**	**June 30, 2013 ($)**
Operations				
Revenue	—	—	—	—
Net (Loss) income	(148,496)	(150,053)	(159,157)	(561,433)
Net Loss per Share	(0.00)	(0.01)	(0.01)	(0.03)

The Company earned no revenue during the periods presented other than interest income due to the nature of the industry and its current operations.

Significant variances to note include:

The Company reported a net loss during the fourth quarter June 30, 2014 of $954,347 (or $0.02 loss per share) which primarily included the $608,828 impairment of exploration and evaluation assets in Quebec and $224,180 in Ontario. The net loss during the fourth quarter June 30, 2013 of $561,433 primarily included the $392,836 impairment of exploration and evaluation assets in Ontario,

There were no significant variances for quarters ended March 31, 2014, December 31, 2013, and September 30, 2013.

Financial Condition, Liquidity and Capital Resources

Key changes to the Company's financial condition were a decrease in cash and working capital of $11,385 and $324,325 respectively primarily as a result of general and administrative costs and minimal exploration expenditures as described hereinabove.

	March 31 2015	June 30 2014
Financial position:		
Cash and cash equivalents	$4,397	$15,782
Working capital	(90,342)	$233,982
Property, plant and equipment	$1,635	$4,395
Exploration and evaluation assets	$997,489	$913,582
Total Assets	$1,059,597	$1,189,226
Shareholders' equity	$908,783	$1,151,960

During the nine months ended March 31, 2015 the Company's source of cash inflow was the receipt of its GST refund of $4,876 and its Quebec Mining tax refund of $183,718 (June 30, 2014 - $127,846). Minimal exploration expenditures were made as the Company continues to focus its efforts to obtain further funding and provide further working capital.

As at March 31, 2015 the Company had a working capital deficiency of $90,343 (June 30, 2014 – working Capital of $233,982). The Company has not generated revenues from its operations to date. There are currently no work commitment requirements under its option agreements however the Company has a remaining option payment due under the Mousseau Agreement for an aggregate $200,000 over the next 18 months and will require additional funding to meet these obligations and complete any extensive further exploration work on its properties and fund its current general corporate overhead for the next 12 months.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Related Party Transactions

a) Key Management Compensation

	March 31 2015	March 31 2014
Key management personnel compensation comprised :		
Consulting fees:	106,108	108,361

i) Consulting fees of $90,000 (March 31, 2015 - $90,000) were paid to 0954041 BC Ltd, a company, controlled by Chris Bogart the President and Chief Executive Officer;

ii) Consulting fees of $16,108 (March 31, 2014 - $18,361) were paid to Minco Corporate Management Inc. ("Minco") a company controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company.

b) Related party liabilities

Amounts due to:	Service for:	**March 31 2015**	June 30 2014
Minco	Consulting Fees	$7,760	$315
0954041	Consulting Fees	$52,500	—
		$60,260	$315

c) Related party receivables

As at March 31, 2015 - $12,979 (June 30, 2014 - $12,979) was due from Corex Gold Corporation ("Corex") which has a common officer, Terese Gieselman and common director Hamish Greig, of the Company for expenses incurred on behalf of Corex for shared office space expenses.

These advances are non-interest bearing and due on demand.

Critical Accounting Estimates

Standard is a venture issuer, therefore this section is not applicable. The details of Standard's accounting policies are presented in Note 3 of the audited financial statements for the year ended June 30, 2014. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

Changes in Accounting Policies including Initial Adoption

There have been no changes in the Company's accounting policies as at the date of this report.

Financial Instruments and Risk Management

The company is exposed through its operations to the following financial risks

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate, commodity price risk and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Cash and guaranteed investment certificates are subject to floating interest rates.

The Company as at December 31, 2014 does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company does not maintain any trade payables beyond a 30 day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statements of Financial Position carrying amounts for cash, receivables, and trade and other payables approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Available for sale investments are measured as Level 1 financial instruments.

Capital Management

The Company considers its cash and cash equivalents, common shares, warrants and stock options as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended March 31, 2015.

Off balance-sheet arrangements

The Company has no off balance-sheet arrangements.

Risks and uncertainties

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company continues to seek opportunities to acquire exploration and/or development projects. The main operating risks include: securing adequate funding to acquire, maintain and advance future exploration or advanced staged properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

As a mineral exploration company, Standard Graphite's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in provided high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Outstanding Share Data

Standard Graphite's authorized capital is unlimited common shares without par value. As at the date of this report, 44,224,557 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise price	Expiry Date
Stock Options	395,000	$0.26	December 21, 2016
Stock Options	200,000	$0.46	February 8, 2017
Stock Options	390,000	$0.49	February 10, 2017
Stock Options	50,000	$0.44	April 26, 2017
Stock Options	445,000	$0.15	December 20, 2017
Stock Options	475,000	$0.18	February 7, 2018
Stock Options	475,000	$0.18	February 8, 2018
Stock Options	175,000	$0.15	March 15, 2018
Stock Options	250,000	$0.06	January 15, 2019

As at the date of this report hereof there were no shares held in escrow.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.