GRAPHANO ENERGY LTD. (THE “COMPANY”)
MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)
FOR ITS THIRD QUARTER PERIOD ENDED APRIL 30, 2022

Graphano Energy Ltd. (“Graphano” or the “Company”) was incorporated on October 5, 2020, as a newly formed, wholly owned subsidiary of Manganese X Energy Corp. (“MN”), a public company with its shares listed on the TSX Venture Exchange (the “Exchange”) to hold MN’s Lac Aux Bouleaux graphite property (the “LAB Graphite Property” or the “Property”) in the Province of Quebec, Canada. The intent was and is to serve as a vehicle for the separate listing on the Exchange (the “Listing”) of the shares of Graphano and the spin-out to MN’s shareholders of the Property providing greater focus to its further exploration and development as a separate operation. The spin-out has been accomplished by way of Plan of Arrangement (the “Plan”) and MN’s shareholders approved the Plan at a shareholders’ meeting held April 12, 2021. The Exchange provided its final approval for the Listing, and trading began on September 30, 2021, under the symbol of GEL.

Graphano is a British Columbia registered company with its Registered Office at 1000 - 595 Burrard Street Vancouver, British Columbia V7X 1S8, and it maintains a business office at 120 Carlton Street, Suite 219, in Toronto, Ontario. Its public filings are available at www.SEDAR.com and on its own website at www.graphano.com.

Graphano’s shares trade on the Exchange under the trading symbol GEL.

Common Shares Issued

a) On December 22, 2020, Graphano completed a private placement for aggregate gross proceeds of $2,721,707, at a price of $0.05 per subscription receipt. Each subscription receipt entitled the holder thereof to receive, upon conversion and without any further action on the part of such holder or payment of any additional consideration, one unit of Graphano (a “Unit”), with each Unit comprised of one (1) Graphano Share and one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable into one (1) Graphano Share at an exercise price of $0.08 per Graphano Share, for an exercise period of two years. Owing to the subsequent consolidation of the shares on a 1:6.5 basis as required by the Exchange, these values are now $0.325 and $0.52 respectively.

   Further to the above, on April 19, 2021, Graphano completed a private placement of subscription receipts on identical terms bringing the aggregate total including the original issue to aggregate gross proceeds of $4,096,979, at a price of $0.325 per subscription receipt on a post-consolidation basis.

   The fair value of the 81,845,660 pre-consolidation Unit warrants at issue date was $1,643,474, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of $0.05; 125% expected volatility (calculated based on assumed volatility of 125%, as ‘Graphano’ does not have volatility history), risk free interest rate of 0.31%; and an expected dividend yield of 0%. Volatility is estimated based on the experience of similar companies owing to the Company’s very short trading history.

b) On September 1, 2021, the Company issued 76,923 common shares to each of Lawrence Nemeth and Geomap Exploration Inc. at $0.325 per share to repurchase the royalty they previously held on the LAB Graphite Property.

c) On December 23, 2021, the Company issued 1,562,500 Flow through units (“FT Units”) at a price of $0.80 per FT Unit for aggregate gross proceeds of $1,250,000. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant (a "Warrant") of the Company, whereby each whole Warrant of the Company entitles the holder thereof to purchase a common share of the Company at an exercise price of $1.10 until December 23, 2023. In connection with the Offering, the Company paid a cash finder's fee of $75,000, representing 6% of the Proceeds raised from investors introduced to the Company by GloRes Securities Inc., and issued an aggregate of 93,750 finders' warrants, representing 6% of the number of FT Units sold under the Offering. Each finder's warrant is exercisable into a Share at an exercise price of $1.10 until December 23, 2023.

Personnel Considerations

The Company's initial Directors are Mr. Nathan Rotstein, Ms Luisa Moreno (Chief Executive Officer) and Mr. James Richardson (Chief Financial Officer). Mr. Roger Dahn and Mr. Martin Kepman have subsequently been added as Directors. Mr. Dahn is qualified to act as a Qualified Person pursuant to the provisions of National Instrument 43-101.

July 31st has been chosen as the year end date for the Company's fiscal year to provide as much inclusion as possible into its first fiscal period and, as much as possible, have its initial operations commence as early as possible in its first full fiscal year, commencing August 1, 2021.

Wasserman Ramsay CPA's have been named by the Board of Directors to be the Company's auditor and to report to the Company's shareholders accordingly. Wasserman Ramsay is a firm of Canadian Chartered Public Accountants and is qualified by the Canadian Public Accounting Board to conduct audits of public companies and has been for a number of years the auditor of MN, the Company's previous parent company.

The functional and reporting currency of the Company is the Canadian Dollar ("CAD") and all dollar amounts ("$") herein refer to Canadian Dollars unless otherwise identified.

Forward Looking Statements

While the Company is not (and does not intend to become) in the practice of making forecasts, it is obliged by the nature and purpose of MD&As to make certain forward-looking statements. All such statements are qualified in their entirety by the Company's claim of "Safe Harbour" for such statements made in good faith.

This MD&A, except for historical information, may contain "forward-looking statements" that reflect Graphano's current expectations and projections about future results. When used in this MD&A, forward-looking statements may be identified by the use of words such as "estimate", "consider", "anticipate", "expect", "objective", "potential", "forecast", "believe", "project", "plan" and similar expressions or variations of such words. Forward-looking statements are, by their very nature, not guarantees of the Company's future operational or financial performance and these statements may involve known and unknown risks, uncertainties and other factors that may cause the actual level of activity, results, prospects and performance to differ materially from any future levels of activity, results, prospects and performance expressed in, or implied by, these forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements and there are no guarantees that any of Graphano's projects will otherwise prove to be economic. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties referred to elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward- looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Company Objective

It is the Company's intention to be a significant entity in the graphite (and potentially other industrial minerals, especially those related to the rapidly expanding field of batterychemistry) resource exploration and development business and to assemble a significant resource for further development and potential future production by the Company or others.

Commencing with the initial LAB Graphite Property, it is the Company's intention to explore the Property (known to contain deposits of graphite bearing material) to establish the magnitude of resource it might contain, and to pursue new property acquisitions with the same objective in view. Exploration work is ongoing, and new claims and acquisitions are being introduced as part of the company's growth strategy.

Project

The LAB Graphite Property is comprised of 14 mineral claims in one contiguous block totaling 738.12 hectares near the town of Mont-Laurier in southern Québec. The Property was subject to a 2% NSR, but, the Company entered into an agreement with the original vendors of the Property to acquire the whole of the NSR for 153,846 post-consolidation Graphano common shares valued at $50,000, thereby cancelling the NSR.

The LAB graphite mineralization was discovered in 1957 and passed through several hands prior to being held by TIMCAL until November 2014, but then allowed to lapse. Finally, in 2019, it was acquired by MN, the parent of the Company until the Closing of the Plan of Arrangement transaction.

The LAB Graphite Property is underlain by Precambrian age rocks of the Grenville Series comprised of quartzo feldspathic, garnetiferous paragneiss and limestone / marble beds. Quartzites are the least abundant of rocks in this Series. The igneous rocks which have invaded the metasedimentary sequence consist of gabbros, monzonites, anorthosites and diabase. Paragneiss is generally fine to medium grained with a variety of compositions such as, quartzo-feldspathic gneiss, biotite gneiss, biotite-garnet gneiss, biotite-garnet-silliminite gneiss and biotite-hornblende gneiss. All compositional varietiescontain some graphite.

The LAB Graphite Property lies adjacent to the south of TIMCAL's Lac des Iles graphitemine in Quebec which is a world class deposit and was producing 25,000 tonnes of graphite annually (which is generally recognized to be within a few years of exhaustion of its resource). There are several graphite showings and past producing mines in its vicinity. Graphite is commonly found in the Grenville Province rocks throughout this region and has been commercially mined from a number of deposits located between Mont-Laurier in the north to the Ottawa River in the south.

As indicated in the most recent National Instrument 43-101 technical report (dated June 8, 2021), in the Qualified Person's opinion, the character of the LAB Graphite Property is sufficient to merit a follow-up work program, which can be accomplished through a two-phase exploration program as described below.

Phase 1 – Trenching, Channel Sampling and Diamond Drilling
Perform stripping and trenching work on target areas identified in airborne and ground geophysical surveys. Additionally, at least 1,200 metres diamond core drilling was recommended to test the geophysical survey conductors. The successful drilling program should add new exploration targets and expand the potential graphite resource target for the LAB Graphite Property. This phase of work has been completed.

Phase 2 – Exploratory Drilling, Metallurgical Test work and Resource Estimation
Based on the success of the Phase 1 work, an additional 2,500 metre diamond core drilling is recommended on the historical graphite resource areas and new geophysical survey targets tested in Phase 1. Additional metallurgical test work is also recommended to improve upon the graphite recovery percentage and quality of the previous test work. Total estimated budget for this phase is $473,000 and will take approximately five months' time to complete. This phase is expected to start during the summer of 2022.

Second Quarter Highlights

The first quarter having been a period of concentration on completing the spin-out from MN, second quarter achievements included:

- Second Quarter Exploration Achievements
- Closing of Flow Through Financing
- Commenced Trading on OTCQB
- Advancing Phase 1 exploration work

Second Quarter Exploration Achievements:
The fall exploration work was carried out during October-November 2021 and included additional ground geophysics, trenching and channel sampling, which resulted in several new graphite showings being identified in the eastern and southern areas of the Property.

In the eastern zone of the Property, excavation work guided by ground geophysical survey exposed additional graphite mineralization and rock outcrops. The graphite mineralization in the eastern zone occurs along the 1.3 kilometres of conductive trends outlined by the ground geophysical surveys.

In the southern zone of the Property, trenching work exposed a large graphite zone with apparent large graphite flakes. This mineralization is also related to a well-defined conductive zone interpreted to have an average anomaly width of 30 metres.

All sampling was completed by and under the supervision of Mr. Martin Ethier, Géo (#1520) who is a Member of the Order of Geologists of Québec and a "Qualified Person" under National Instrument 43-101, and Afzaal Pirzada, who is a member of the Association of Professional Engineers and Geoscientists of British Columbia with license No. 28657. In addition, senior management also attended the site visit.

Closing of Flow Through Financing:
On December 23, 2021, the Company issued 1,562,500 Flow through units (“FT Units”) at a price of $0.80 per FT Unit for aggregate gross proceeds of $1,250,000. Later 1,875 got cancelled. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant (a “Warrant”) of the Company, with each whole Warrant of the Company entitling the holder thereof to purchase a common share of the Company at an exercise price of $1.10 until December 23, 2023.

The proceeds will be used for Canadian Exploration Expenses and “flow through mining expenditures” which will be incurred on or before December 31, 2022.

Commenced Trading on the OTCQB:
Graphano’s common shares have qualified to trade on the OTCQB under the ticker GELEF, in addition to continuing to trade on the Exchange**.**

The OTCQB is a U.S. trading platform and is the premier marketplace for early-stage companies. To be eligible, Graphano had to meet a series of criteria, including undergoing verifications and management certification processes

Operations During the Third Quarter Ended April 30, 2022

Upon closing of the private placements, the Company commenced its initial exploration activities, but these are not directly comparable to the prior period or the comparable period of the prior year which were less active initial formative periods.

As a result, the Company’s Statement of Financial Position as at April 30, 2022 (the “Statement”) consists of a comparison of that statement of financial position to the earlier initial period end position at July 31, 2021, which consisted simply of the value of the LAB Graphite Property which was transferred to the Company by its parent in exchange for shares which were dividended out to MN’s shareholders on a one-for-eight basis pursuant to the Plan which shares were then consolidated on a one (1) for 6.5 share basis as referred to above), and certain minor accruals. (This opening property value has now been written off along with subsequent additions thereto pursuant to the exploration undertaken subsequently as a result of the decision by the Company to write off all such property values to expense. This represented a change in accounting policy at the end of Q1 which is expected to continue into the indefinite future. The Company believes that this will bring its statements of profit and loss more into line with its actual cash expenditures period by period and avoid the sometimes difficult decisions of whether to continue to carry a property as an asset or write it off.

In keeping with the announced intent of certain regulatory bodies to simplify future regulatory filings and avoid repetition by combining financial statements and MD&A,this document will not repeat the material contained in the Audited Financial Statements for the period under review including the comprehensive Notes regarding Accounting policies and others which appear in those Statements.

As discussed above, this year represents the first one of independent operation by the Company outside the umbrella of its former parent MN. This being the third quarter of operations, there are no meaningful comparisons to be identified. The Q1 period being the quarter in which the closing of the spin-out transaction took place and operations were commenced, fee expenses were unusually high. These expenses comprised the great majority of all expenses during the first quarter and totaled $721,000. When the one time write off of the acquisition cost of the LAB Graphite Property is added, the total Comprehensive loss recorded was $1,548,000 during that quarter. The net loss for the period was $2,539,000 in 2022, primarily reflecting unusually large non-cash costs associated with the stock-based compensation costs identified in detail in the accompanying financial statements as well as write off of exploration properties.

Third Quarter Exploration Achievements

The Company started the Phase 1 drilling program during this quarter, with the plan to drill approximately 20 holes totaling at least 2,800 meters NQ size core drilling on the Property. The program focused on Zones 1 and 4, where 2021 surface trenching and sampling programs identified significant grades and widths of graphite mineralization (see Graphano news release dated January 13, 2022), including:

- Channel sample results from Zone 1 include 7.9% Cg over 9.5 meters including 13.9% over 4.5 meters; and
- Channel sample results from Zone 4 include 18.0% Cg over 4.0 meters and 5.8% Cg over 8.0 meters which includes 14.8% over 3.0 meters.

The intent of the drill program was to evaluate the characteristics and magnitude of mineralization in the two zones. Zones 1 and 4 are just two of the eight prospective targets which have been defined on the Property to date through the Company's surface trenching and sampling programs completed in 2021, as well as a compilation of historical drilling and other exploration data. The Company intends to extend the prospecting work to all the Zones to identify drilling targets with the aim of defining a resource at the LAB property.

Statement of Financial Position as at April 30, 2022

The most notable feature of the Statement of Financial Position at April 30, 2022, and its comparison to the prior (audited) year end is the change in accounting policy previously referred to, above, by which all prior exploration property costs and additions thereto are now being written off immediately upon being incurred. Such cost accumulations will continue to be tracked property by property in the appropriate Note to the financial statements each reporting period.

The financial position of the Company as at April 30, 2022, is:

	Apr 30, 2022 **$**	Jan 31, 2022	Oct 31, 2021 $	July 31, 2021 $
Current assets	**4,010,237**	4,545,780	3,544,651	4,096,979
Non-current assets	**-**	-	-	-
Total assets	**4,010,237**	4,545,780	3,544,651	4,096,979
Current liabilities	**379,354**	245,258	175,281	4,103,168
Shareholder's Equity	**3,630,883**	4,300,522	3,369,370	770,064
Total liabilities and Equity	**4,010,237**	4,545,780	3,544,651	4,873,232
Working capital	**3,630,883**	4,300,522	3,369,370	(6,189)

As of April 30, 2022, Graphano had working capital of $3,630,883 compared to -$6,189 at July 31, 2021, $3,369,370 at October 31, 2021 and $4,300,522 at January 31, 2022. This decrease in working capital is attributable to increased exploration expenses.

Cash flows used in operating activities, for the nine months ended April 30, 2022, were $1,659,954.

Cash flows used in investing activities for the nine months ended April 30, 2022, were $50,000 for Investment in the LAB Graphite Property to acquire the NSR previously held by the former owner of the property. The Company anticipates that this would make it more attractive to put the property into production if other considerations were to be favourable.

Cash flows from financing activities for the nine months ended April 30, 2022, were $1,366,999 arising from the Company's private placement, issue of shares and warrant exercises.

Other current assets (excluding cash) as at Apr 30, 2022, were $3,956,212. Other current assets are cash term deposits, prepayments and other receivables and Canadian sales taxes receivable which are expected to be received in cash in the normal course. The Company's policy is to invest cash which is surplus to its immediate needs in Guaranteed Investment Certificates of low risk issuers which are cashable in the event that the Company should need the additional cash for acquisitions or other needs. The Company is currently earning interest therefrom at a rate in excess of $50,000 per year.

Accounts payable and accrued liabilities were $379,354 as at April 30, 2022. Included in the accounts payable and accrued liabilities for this period is an amount of $112,719 due to related parties of the Company (See Related Party Transactions for additional information).

Shareholders' Equity was positive $3,630,883 as at April 30, 2022. The detail of the Shareholders' Equity is:

	Apr 30, 2022 **$**	July 31, 2021 $
Share capital	**4,579,783**	776,254
Reserves	**2,310,040**	-
	6,889,823	776,254
Deficit	**(3,258,940)**	(6,190)
Total shareholders' equity	**3,630,883**	770,064

Outlook for remainder of 2022 Fiscal Year

The Company anticipates keeping its shareholders and other interested parties informed of material developments and its exploration intentions and results by regularly issuing press releases. Depending on the success of the initial exploratory drilling the company may expand ground geophysical survey and trenching to other areas of the Property or expand drilling in one of the zones to estimate an initial resource.

Capital Resources

The private placements referred to and described above resulted in subscriptions for 81,845,660 Units at a price of $0.05 ($0.325 adjusted for the consolidation) per Unit for a total of $4,096,979. This amount is more than sufficient for the recommended initial exploration program and the sustaining of all of the Company's operations for at least 18 months into the future. As such, the Company is in compliance with the Rules of the Exchange.

It is the intention of the Company to manage its Capital (Shareholders' Equity including Share Capital, Reserves and Deficit) to ensure that it has sufficient resources and liquidityto meet its obligations as they fall due and provide for its future operations for a reasonable time into the future. As such, and given that the Company's prospective revenues amount to only the modest amount that it may be able to earn on cash deposits, the Company is carefully monitoring its resources by comparison to the costs of its exploration plans to establish the extent and quality of its resource on its LAB Graphite Property.

Share purchase warrants

As at April 30, 2022, the movement in the number of warrants outstanding and their weighted average exercise prices are as follows:

	Warrants #	Weighted average exercise price $
Balance - July 31, 2021	**-**	**-**
Re: Private Placement	12,591,640	0.52
Balance - Oct 31, 2021	**12,591,640**	**0.52**
Re: Private Placement	781,250	1.10
Warrants issued	93,750	1.10
Warrants exercised	(188,462)	0.52
Balance - Jan 31, 2022	**13,278,178**	**0.56**
Warrants exercised	(84,615)	0.52
Balance - Apr 30, 2022	**13,193,563**	**0.56**

The fair value of the 12,591,640 (81,845,660 pre-consolidation) warrants at issue date was $1,424,038, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of $0.05/0.325 post-consolidation; strike price of $0.52;125% expected volatility (estimated based on assumed volatility of 125% as 'Graphano' does not have extensive volatility history); risk free interest rate of 0.31%; and an expected dividend yield of 0%. The allocation of the total proceeds to share capital and warrant reserve was effected by pro-rating the then current trading value of the shares with the Black-Scholes calculated value of the warrants over the total purchase consideration.

The fair value of the 781,250 warrants at issue date was $243,280, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of $0.53; strike price of $1.10; 125% expected volatility); risk free interest rate of 1.04%; and an expected dividend yield of 0%. The allocation of the total proceeds to share capital and warrant reserve was effected by pro-rating the then current trading value of the shares with the Black-Scholes calculated value of the warrants over the total purchase consideration.

The fair value of the 93,750 warrants issued as part of Units with a strike price of $1.10 was $24,015, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of $0.53; strike price of $1.10; 125% expected volatility); risk free interest rate of 1.04%; and an expected dividend yield of 0% and pro-rated similarly as above.

As at April 30, 2022, the outstanding share purchase warrants were as follows:

	Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
	$0.52	12,318,563	1.5	Aug 2023
	$1.10	781,250	1.7	Dec 2023
	$1.10	93,750	1.7	Dec 2023
Balance - Apr 30, 2022		**13,193,563**	**1.5**	

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, not less than the previous day's Closing Price, as calculated on the date of grant. The options can be granted for a maximum term of five years and vest at the discretion of the board of directors. The option activity, under the share option plan and information concerning outstanding and exercisable options is as follows:

		No. of Options Vested	Weighted Average Exercise Price ($)
Balance - July 31, 2021			
Options issued		-	-
Balance - Oct 31, 2021		**-**	**-**
Options issued		1,500,000	0.50
Balance - Jan 31, 2022		**1,500,000**	**0.50**
	-	-	-
Balance - Apr 30, 2022		**1,500,000**	**0.50**

The fair value of the 1,500,000 stock options at the issue date (November 11, 2021) was $649,591 calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price and strike price of $0.50; 132.80% expected volatility; risk free interest rate of 1.10%; and an expected dividend yield of 0%.

As at April 30, 2022, stock options issued and outstanding are as follows:

	Options granted	Options exercisable	Weighted Average Exercise Price ($)	Expiry dates
	1,500,000	1,500,000	0.50	Nov 2026
Balance - Apr 30, 2022	**1,500,000**	**1,500,000**	**0.50**	

As at April 30, 2022 the share structure of the Company is as follows:

Outstanding Shares	Warrants	Options	Fully Diluted
16,927,217	13,193,563	1,500,000	31,620,780

Results of Operations

The Company has currently no operations generating sales and revenues (beyond the modest amount of interest referred to above). Detail for the periods ended April 30, 2022, are:

For the period ended April 30,	Three months ended 2022 $	Nine months ended 2022 $
Revenues	-	-
Operating Expenses/(Income)		
Exploration expenses	**463,217**	**592,659**
Research cost	**-**	**29,500**
Other operating expenses	**60,592**	**114,389**
Management fees	**67,750**	**282,450**
Finance fees	**-**	**145,000**
Professional and consulting fees	**116,213**	**352,299**
Other expenses/(income)	**930**	**150,612**
Advertising and marketing	**12,005**	**113,508**
Foreign exchange loss	**-**	**990**
Other Expenses/(Income)		
Interest income	**(7,069)**	**(4,500)**
	713,638	**1,776,907**
Non-cash Expenses/(Income)		
Stock-based compensation- Non-Cash (note 10)	**-**	**649,591**
Exploration properties write off (note 11)	**-**	**826,253**
	-	**1,475,844**
Net loss and comprehensive loss	**713,638**	**3,252,751**
Loss per share - basic & diluted	**0.04**	**0.202**
Weighted average number of shares outstanding	**16,927,217**	**16,086,758**

Summary of Quarterly Information

Selected quarterly information for the most recently completed three quarters is presented below in Canadian Currency ($):

Quarter ended	Consolidated			
	Revenues	Net loss and Net comprehensive loss for the period	Net loss per share	Number of shares
	$	$	$	$
April 30,2022	-	(3,252,751)	(0.202)	16,927,217
January 31,2022	-	(2,539,111)	(0.162)	16,842,602
October 31,2021	-	(1,547,672)	(0.103)	15,091,640

The increasing losses significantly reflect non-recurring initial expenses of the Company and, increasingly, the costs of the exploration work being undertaken.

Results of Operations - Selected Annual and quarterly Information

Period ended,	**Apr 30, 2022 (9 months)**	July 31, 2021 (year end)
Net Revenues	**-**	-
Total Expenses	**3,252,751**	1,547,672
Net Loss	**3,252,751**	1,547,672
Net Comprehensive Loss	**3,252,751**	1,547,672
Loss per share (Basic)	**0.202**	0.103
Loss per share (Diluted)	**0.202**	0.103
Total Assets	**4,010,237**	4,873,232
Total Liabilities	**379,354**	4,103,168

Transactions with Related Parties

In addition to share issuances to which many of its Insiders were Subscribers, transactions with related parties were as follows:

For the nine-months period ended Apr 30,	**2022 $**
Management and other fees paid to companies controlled by Officers and Directors	**277,200**
Stock-Based compensation expense - directors and officers	**562,979**
	840,179

For the three-months period ended Apr 30,	**2022 $**
Management and other fees paid to companies controlled by Officers and Directors	**62,500**
Stock-Based compensation expense - directors and officers	**-**
	62,500

Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

Included in the accounts payable and accrued liabilities	**Apr 30, 2022 $**
Consulting fees payable to companies controlled by officers and Directors	**111,678**
Exploration expenditures due to directors	**1,041**
	112,719

Annual Remuneration of Named Executive Officers ("NEOs")

Following an initial period immediately after incorporation and up to listing by the Exchange during which no remuneration was paid, senior management/NEOs of the Company are now being paid at the following annual rates on a regular monthlybasis.

	Cash Fees paid or accrued	Pension Benefits and Other Awards
Dr. Luisa Moreno (Chief Executive Officer)	$90,000	Nil
James A. Richardson (Chief Financial Officer)	$72,000	Nil
Nathan Rotstein (Director)	$72,000	Nil

The above amounts are for the annual rate now being paid. Future tables will provide information with respect to multiple years, as and when appropriate. The Named Executive Officers (“NEOs”) are now being remunerated at the rate of $7,500 per month for the CEO and $6,000 per month for each of the other two NEOs.

Environmental, Social and Governance (“ESG”) Responsibilities

The Company is vitally aware of its responsibilities to its communities and publics, especially those to its indigenous and other neighbours in its communities of operation. Itwill strive in all ways practicable to foster good relations with its neighbours, take their needs into account in its operations (especially their need for responsible employment) and operate in a context of social responsibility. More detailed statements in these regardswill be included in future MD&A’s. It is the intention of the Company to establish a formal policy of community support, especially with respect to local indigenous peoples and of diversity (with respect to which, the Company is proud to identify its current achievements) in the near future. As it does not propose immediately to have Board Committees either for ESG or for Corporate Governance, it intends to delegate these functions to its Audit Committee as it is best representative of its Independent constituencies.

As a potential future supplier of graphite to the industrial world, the Company is immediately aware of the growing need for graphite in the battery industry and the role that will be played in the rapidly growing electrical vehicle market among others. The world’s rapidly growing acknowledgement of the realities of global warming and the impacts on climate change suggest that the growth in demand for graphite is likely to exceed population or other normal growth rates long into the future. There is a very significant element of catch up which needs to be addressed and achieved. The Company expects to benefit from this in higher price levels for its graphite needed to encourage the additional supply required.

The LAB Graphite Property project is located in a forested area and the growing incidence of major forest fires may have an adverse impact on future operations. The Company does not expect to be adversely impacted by rising sea water levels, but local flooding may be of increasing concern and the Company will be monitoring carefully for such potential adverse impacts.

Statement of Compliance and Exemption

As a Venture Issuer, the Company conforms to the lesser standard of internal controls expected of Venture Issuers.

The accompanying financial statements have not been audited nor subjected to Review by the Company's auditor except to the limited extent that certain information as of July 31, 2021, was audited by Wasserman Ramsay, the Company's auditor and is included here and in the accompanying financial statements for comparative and other purposes. The next set of financial statements that will be subjected to audit will be those for the full year ending July 31, 2022.

Subsequent Events

Since April 30, 2022, the company has completed the Phase 1 drilling program on Zones 1 and 4, and assay results were released, which confirmed the presence of multiple higher-grade mineralization zones. The company also staked a number of claims with graphite occurrences that are 5-10 km away from the LAB property, and signed an option agreement for the Standard mine claims. We encourage readers to keep themselves informed by subscribing to the Company's press releases.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Other

The Company now maintains its website at www.graphano.com and will post exhibitions of its primary SEDAR filings, corporate and investor presentations and other useful information.

Management welcomes comments and questions from investors and other members of the public and suggestions for improvement in its communications, presentations and this document.

On behalf of the Board of Directors:

Dr. Luisa Moreno
June 29, 2022