

**GRAPHANO ENERGY LTD. (THE “COMPANY”)
MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE YEAR ENDED JULY 31, 2025**

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 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 company, and this has been achieved. 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.SEDARplus.ca and on its own website at www.graphano.com.

Graphano’s shares trade on the Exchange under the trading symbol **GEL** and on the Frankfurt Stock Exchange as **97GO**.

Personnel Considerations

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

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 guarantees of future performance and actual results or developments may differ materially from those in the forward-looking

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statements and there are no guarantees that any of Graphano’s projects will 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 resource exploration and development business (and potentially other industrial minerals, especially those related to the rapidly expanding field of battery chemistry); and to assemble a significant resource for further development and potential future production.

The LAB and Standard Graphite Properties are the Company’s main projects, and there is ongoing exploration work at these properties to establish the magnitude of resources they may contain. The company also has the Dudley and Lac Vert Bouthillier concessions.

Projects

Lac Aux Bouleaux (LAB)

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 was allowed to lapse. Finally, in 2019, it was acquired by Manganese X Energy Corp., 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-sillimanite gneiss and biotite-hornblende gneiss. All compositional varieties contain graphite.

The LAB Graphite Property lies adjacent to the south of TIMCAL’s Lac des Iles graphitemine in Quebec which has been 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 and the Ottawa River to the south.

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As of June 26th, 2024, the Company staked an additional 20 mining claims on the western side of its existing 100% owned Lac Aux Bouleaux project. The new claims more than double the holdings comprising the LAB project to 2,028 hectares. The stratigraphy and geology are similar to the original LAB project claims and the Lac des Iles mine, but the new claims' area remains largely unexplored.

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 is now being diligently pursued (see Company press releases on its website for more information).

Standard Graphite

The Standard Project Option Agreement covers six claims totaling 355 hectares located 32 km northeast of the Company’s Lac Aux Bouleaux graphite project. At the closing of the Option Agreement the Vendor received 50,000 common shares of Graphano. On the first anniversary of the Option Agreement the Vendor received 50,000 additional shares of Graphano and on the second anniversary, June, 2024 (which was mutually postponed to August, 2024) the Vendor received 100,000 additional shares of Graphano, plus a cash payment in the amount of \$20,000, as a result of which the Company now owns the property. The Vendor will retain a royalty of 2% net smelter returns on future production from the Standard Mine property. The Company has the option to purchase the royalty for \$600,000 cash at any time.

The Standard Project includes an historical underground mine. The original operators produced graphite on a small scale between 1923 and 1930 but ceased operations due to the low price of graphite following the 1929 market crash. Moreover, it seems that the small-scale operation and the inefficient milling process known at that time may have led to the failure of the enterprise, but not for lack of ore.

Standard Eastern Claims

The Company staked 79 new mining claims to the east of the Standard Mine claims. These additional new claims amount to 3,923 hectares, representing a significant increase in project acreage. The total area of the combined Standard claims is now 4,365 hectares. In 1997, government reconnaissance work reported four outcrops with visible graphite, which will serve as good starting locations for the Company’s exploration program. The claims are located between the historical Standard Mine to the west and The Mousseau Project in the north east. Mousseau has a Measured & Indicated Resource of 2.8 million tonnes grading 7.9% graphitic carbon (0.2Mt of contained graphite).

Dudley and Lac Vert-Bouthillier

The Company has staked two sets of graphite claims, comprising the Dudley and Lac Vert-Bouthillier graphite showings, for a total of 11 claims, covering 600 hectares. The claims are 5 km and 10 km south from the Lac Aux Bouleaux project.

The development of historical graphite deposits as well as new discoveries, all within trucking distance, should allow for resource consolidation to one processing centre at Lac Aux Bouleaux.

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The company has decided to discontinue the work program of these areas to focus on the Lac Aux Bouleaux and Standard Mine properties and the Black Pearl discovery.

Current Exploration Program

During the period from November 2023 to January 2024, the company completed drilling activities on its 100% owned Standard Mine and Lac Aux Bouleaux (LAB) graphite properties to follow up excellent results from the 2022-2023 trenching and drill programs. 30 holes totaling approximately 3,025 meters were completed. 17 drill holes were completed at Standard and 13 holes at LAB. The primary focus of the drilling program was on graphite zone expansion to enlarge the “footprint” of mineralization in support of the Company’s ongoing Mineral Resource estimation work at both LAB and the Standard Mine projects. Mercator Geological Services was responsible for the drill program design and the results are being incorporated into the 3D geological models being developed for ongoing Mineral Resource estimation work.

Initiation of 2024 prospecting work commenced in mid-April at Standard Eastern claims. The program has focused mostly on the newly staked claims, situated immediately east of the Standard Mine. The new claims cover highly prospective geology located between the Company’s Standard Mine project and the Mousseau graphite deposit to the east. As noted above, Government reconnaissance in 1997 is guiding the future program. On July 17, 2024, the Company announced a significant new graphite discovery, termed the Black Pearl, located on the recently staked Standard East claim group. The discovery of important grades and thicknesses of graphite mineralization within geological units similar to the major graphite deposits of the Lac des Îles region, confirm the excellent potential of this previously unexplored area. Highlights of the results include 15.1% Cg over 14 meters and 17.9% Cg over 9 meters from a 1,200 m² stripped bedrock area. Grab samples of mineralized bedrock 700 meters along trend to the northeast of the discovery stripped area returned grades of 20.1% Cg and 15.6% Cg. The Black Pearl graphite trend has been outlined by prospecting and ground geophysical surveys for an approximate length of 1,000 meters and remains open.

As of January 31, 2025, Mercator Geological Services Ltd are finalizing the integration of 2024 drilling results and data to update interpretations forming the current 3D geological solid models being utilized for ongoing Mineral Resource estimation work involving the Standard Mine and Lac Aux Bouleaux (LAB) projects.

On July 17, 2025, the Company announced an initial National Instrument 43-101 compliant Mineral Resource estimate for the Lac Sagway Graphite Project, which comprises the Lac Aux Bouleaux (Pit Zone, Zone 1 and Zone 3) and Standard properties. At a cut-off grade of 3.0 percent graphitic carbon (Cg), the estimate reports Indicated Mineral Resources of approximately 1.64 million tonnes grading 7.0 percent Cg (about 115 thousand tonnes of contained Cg) and Inferred Mineral Resources of approximately 1.58 million tonnes grading 7.0 percent Cg (about 111 thousand tonnes of contained Cg), all constrained within an optimized pit shell. The Mineral Resources occur near surface with a favorable strip ratio and are located close to existing graphite processing infrastructure in the Lac-des-Îles area. The estimate, effective July 15, 2025, was prepared by Mercator Geological Services Limited, an independent geological consulting firm, and will guide the next phase of work, including infill drilling, bulk sampling, additional metallurgical test work and baseline environmental studies. Mineral Resources are not Mineral Reserves and do not have demonstrated economic

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viability.

Strategic Collaboration with Northern Graphite

In early April 2025, Graphano Energy Ltd. entered into a strategic collaboration with Northern Graphite Corporation to jointly advance graphite resource development in Quebec. The agreement brings together Graphano’s contiguous Lac Aux Bouleaux and nearby Standard properties with Northern’s producing Lac des Îles (LDI) mine. Under the arrangement, the companies will share geological, geophysical, and metallurgical data, coordinate resource modeling and drilling programs, and may pursue future production-sharing agreements. This collaborative effort is expected to streamline technical and operational activities, bolster resource discovery potential adjacent to the LDI processing plant, and accelerate Graphano’s pathway toward near-term production and cash flow.

Exploration Work Authorizations Received

On April 15, 2025, Graphano announced receipt of Autorisation de Travaux à Impact (ATI) from Québec’s Ministère des Ressources Naturelles et des Forêts (MRNF) for its three Québec properties—Lac Aux Bouleaux, Standard Mine, and Black Pearl. These permits authorize impact-causing exploration activities (e.g. drill programs, trenching, bulk sampling, and rock stripping), subject to prior work-plan approvals and community engagement as per Québec’s new regulations enacted in May 2024. This regulatory milestone enables fully permitted field campaigns planned for Q2 and Q3 2025.

Black Pearl

In May 2025 a modest exploration program was completed at Black Pearl. The Black Pearl discovery was made by Graphano in 2024 through basic prospecting methods. Channel sampling from the initial discovery returned important grades and thicknesses of graphite mineralization such as 15.1% Cg over 14 meters (m) and 17.9% Cg over 9 m. The geologic setting of this previously unexplored area is similar to the major graphite deposits of the Lac des Iles region. The May 2025 exploration work consisted of line cutting, ground electromagnetic surveys (Max-Min II and VLF-EM), prospecting and mechanical stripping of bedrock. To date, approximately 7 kilometers of line cutting and ground geophysics have been completed. Current interpretations indicate a folded trend approximately 1.2 kilometers in length, containing multiple graphite related conductive zones over surface widths of up to 300 meters.

The May 2025 field program has advanced Black Pearl to drill-ready status. Integration of the new geological mapping, trenching and ground geophysical data has refined the interpretation of the mineralized corridor and allowed the Company to define a series of priority drill targets along the interpreted trend. This work confirms that the graphite-bearing conductor system at Black Pearl represents a meaningful growth opportunity within the Company’s Québec portfolio and forms the basis for planning an initial diamond drilling campaign.

Metallurgical Work

On June 13, 2024, the Company announced results of the initial metallurgical work performed

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by SGS Canada Inc. (“SGS”) of Quebec City. Tests were performed on composite samples of drill core from the Company’s 100% owned graphite properties, Lac Aux Bouleaux and Standard Mine.

LAB Project Results:

Initial tests for the LAB project faced challenges due to overgrinding, which compromised cleaner stage recoveries. However, subsequent tests on Sample 2 (LAB Zone 3 – LB22-32, LB22-46, LB22-48), with reduced grinding time, yielded a concentrate grade of 95% Cg in several particle-size fractions, achieving an open circuit graphite recovery of 70%. It is anticipated that more than 20% of the graphite losses associated with intermediate streams will report to the final concentrate during closed circuit operation, leading to recoveries of 90% or higher.

Based on flotation results from comparable graphite projects, the SGS team believes that by adding another regrind/cleaner stage, a final grade of more than 96% Cg could potentially be achieved, with graphite recovery of at least 90% under closed-loop conditions. Further testing and process optimization will be conducted to confirm these projected results.

Standard Mine Results:

For the Standard Mine project, excellent metallurgical results were obtained immediately. Sample 4 (Standard - ST23-08, ST23-09, ST23-10) produced a graphite concentrate grading 94% Cg at 93% recovery. Optimization tests are expected to lead to even higher grades and recoveries.

Outlook for 2026 Fiscal Year

The Company is planning to file for a bulk sample application for Lac Aux Bouleaux and Standard properties. The samples will be used for metallurgical work.

Despite the different flowsheets used in the tests, the technical team at the Company is confident that both LAB and Standard materials can be treated in the same beneficiation plant. Whether processed separately or by combining the materials, appropriate plant design will ensure efficient processing. The next phase of metallurgical testing will focus on improving recovery and grades, as well as studying flake size distribution. The encouraging results obtained so far support the Company’s plan to process the material mined in different zones at the same plant.

At Black Pear project, the Company will conduct exploration drilling campaigns and airborne geophysics aimed at uncovering new potential resources and expanding our overall resource potential.

Subsequent Events

Subsequent to July 31, 2025, the Company completed a non-brokered private placement financing originally announced on August 15, 2025. On September 5, 2025, Graphano issued 2,000,000 units at a price of \$0.15 per unit for aggregate gross proceeds of \$300,000. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at an exercise price of \$0.25 for a period of 36 months from the date of issuance. In connection with the offering, the Company paid cash finders’ fees of \$18,000. Net proceeds are being used to advance a

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planned drill program at the Black Pearl project and to support bulk sampling and prospecting on unexplored zones of the Lac Aux Bouleaux and Standard properties.

In September 2025 a 9-hole drill program totaling 620 metres was completed at the Company’s 100% owned Black Pearl graphite project. The drill program encountered significant near surface mineralization, as outlined below, highlighting the considerable untested potential at Black Pearl. Further exploration is warranted to follow-up this sector of mineralization on the property but also reinforces the greater district scale potential of the largely unexplored Black Pearl – Standard Mine project area.

Highlight Drill Results:

- Drill Hole BP25-01 intersected 11.33% graphitic carbon (Cg) over 8.61 metres (m) starting at 18.64 m drilled depth;
- Drill Hole ST25-02 intersected two zones of 4.53% Cg over 5.50 m at 20.50 m, and 7.95% Cg over 3.75 m at 31.90 m;
- Drill Hole ST25-03 intersected three zones of 7.37% Cg over 4.70 m at 12.00 m, 7.01% Cg over 3.14m at 38.86 m and 4.77% Cg over 6.50m at 44.50 m;
- Drill Hole BP25-06 intersected 4.81% Cg over 12.25 m starting at 32.85 m drilled depth and includes 6.63% Cg over 7.07 m.
- Drill Hole ST25-08 intersected two significant zones of 9.92% Cg over 3.20 m at 10.30 m, and 4.93% Cg over 6.70 m at 17.5 m that included 15.95% Cg over 1.60 m.

On November 12, 2025, the Company announced a second non-brokered private placement financing of up to 2,500,000 units at a price of \$0.15 per unit, for gross proceeds of up to \$375,000. Each unit will comprise one common share and one common share purchase warrant, with each warrant exercisable to acquire one additional common share at a price of \$0.25 for a period of 36 months from the date of issuance. The closing of this offering is expected to occur in December 2025 and is subject to receipt of all required regulatory approvals, including acceptance of the TSX Venture Exchange. The Company intends to use the proceeds to fund an airborne geophysical survey and follow-up work at Black Pearl, to advance bulk sampling permit applications for the Lac Aux Bouleaux and Standard projects, and for general working capital purposes.

Statement of Financial Position as at July 31, 2025

	July 31, 2025	July 31, 2024	July 31, 2023
	\$	\$	\$
Current assets	732,675	1,649,533	2,445,135
Non-current assets	-	-	-
Total assets	732,675	1,649,533	2,445,135
Current liabilities	41,718	411,213	24,902
Shareholder’s Equity	690,957	1,238,321	2,420,233
Total liabilities and Equity	732,675	1,649,533	2,445,135
Working capital	690,956	1,238,321	2,420,233

As of July 31, 2025, Graphano had working capital of \$690,956 compared to \$1,238,321 at

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July 31, 2024. The Company and its Board consider this to be a satisfactory level of funding which should serve the Company through the present period of difficult markets. The Company will continue to keep itself focussed on its long-term objectives.

Cash flows used in operating activities, for the year ended July 31, 2025, were -\$483,500 owing primarily to expenditures on Exploration and evaluation and Professional and consulting fees (July 31, 2024– -\$935,466).

Cash flows used in investing activities for the year ended July 31, 2025, were Nil (July 31, 2024 – Nil).

Cash flows from financing activities for the year ended July 31, 2025, were -\$320,000 (July 31, 2024 – \$320,000). A Line of Credit (the "LOC") secured by the Company's GIC was approved by RBC bank with a limit of up to \$425,000. The borrowings of \$320,000 under the LOC were paid back from the maturity of a non-cashable GIC on August 9, 2024 and has not been redrawn. The LOC was renewed for another six months up to August 5, 2025, if needed.

There were no warrants or options exercised in the fiscal year.

Current assets as at July 31, 2025, include cash and cash equivalents of \$661,677 (July 31, 2024 - \$1,465,178) as well as other current assets (receivables, prepayments, and tax receivables) of \$70,998 (July 31, 2024 - \$184,355). The Company's policy is to invest cash which is surplus to its immediate needs in Guaranteed Investment Certificates of low risk issuers (specifically the Company's Schedule A Canadian bankers).

Accounts payable and accrued liabilities were \$41,718 as at July 31, 2025 (July 31, 2024 - \$91,213). Total current liabilities amount to \$41,718 (July 31, 2024 - \$411,213) where the reduction was mainly a result of \$320,000 being paid down from the LOC as stated above bringing the Loans payable down to Nil this year.

Shareholders' Equity was positive \$690,957 at July 31, 2025 compared to \$1,238,321 at July 31, 2024. The detail of the Shareholders' Equity is:

	July 31, 2025 \$	July 31, 2024 \$	July 31, 2023 \$
Share capital	4,446,264	4,446,264	4,200,129
Reserves	2,085,904	2,085,904	2,310,039
	6,532,169	6,532,168	6,510,168
Deficit	(5,841,211)	(5,293,847)	(4,089,935)
Total shareholders' equity	690,957	1,238,321	2,420,233

Capital Resources

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 liquidity to meet its obligations as they fall due and provide for its future operations for a reasonable time into

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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 and Standard Properties with a view to potential future production.

Common shares issued:

No shares were issued during the year.

Share purchase warrants:

As at July 31 2025, movements in the number of warrants outstanding and their weighted average exercise prices are as follows:

	Warrants #	Weighted average exercise price \$
Balance - July 31, 2023	13,209,240	0.56
Warrants expired	(875,000)	1.10
Balance - July 31, 2024	12,334,240	0.52
	-	-
Balance - July 31, 2025	12,334,240	0.52

The fair value of the 12,607,019 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/.325 post consolidation; strike price of \$0.52; 125% expected volatility (based on a peer company, as Graphano did not have 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. On April 5, 2023, the expiry date of these warrants was extended by 2 years to August 27, 2025, and on April 11, 2025, a further extension of 12 months to August 27, 2026. All other terms of the Warrants, including the post-consolidation exercise price, remained the same. Insiders hold approximately 2.43 million of these warrants. This marks the second and final extension permitted under TSXV policy, reaching the maximum permissible five-year term, with all other terms unchanged.

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 (as above); 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. These warrants expired on December 23, 2023.

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 (as above); risk free interest rate of 1.04%; and an expected dividend yield of 0% and pro-rated similarly as above. These warrants expired on December

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23, 2023.

As at July 31 2025 and 2024, the outstanding share purchase warrants were as follows:

	Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
	\$0.52	12,334,240	1.1	Aug 2026
Balance - July 31, 2025		12,334,240	1.1	

	Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
	\$0.52	12,334,240	1.1	Aug 2025
Balance - July 31, 2024		12,334,240	1.1	

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. As such, the Plan is subject to review and approval by shareholders annually at the Annual General Meeting. 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 5 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, 2023	1,500,000	0.50
Balance - July 31, 2024	1,500,000	0.50
Balance - July 31, 2025	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 (estimated based on a peer company), risk free interest rate of 1.10%; and an expected dividend yield of 0%.

No options were issued or exercised during the year.

As at July 31, 2025 and 2024, 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 - July 31, 2025	1,500,000	1,500,000	0.50	

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	Options granted	Options exercisable	Weighted Average Exercise Price (\$)	Expiry dates
	1,500,000	1,500,000	0.50	Nov 2026
Balance - July 31, 2024	1,500,000	1,500,000	0.50	

As at July 31, 2025, as well as the date of this MD&A, the share structure of the Company is as follows:

Outstanding Shares	Warrants	Options	Fully Diluted
17,188,268	12,334,240	1,500,000	31,022,508

Results of Operations

The Company currently has no operations generating sales and revenues (beyond the modest amount of interest referred to above). Details for the periods ended July 31, 2025 and 2024 are:

For the period ended,	Year ended July 31, 2025	2024
	\$	\$
Operating Expenses		
Expenditures on E&E properties	108,309	713,129
Management fees	312,000	312,000
Professional and consulting fees	6,193	63,581
Advertising and Marketing	42,275	45,354
Transfer agent, filing, and IR fees	30,899	57,378
Foreign exchange loss	1,055	1,439
Other operating expenses	78,680	74,436
	579,411	1,267,317
Other expenses/(income)		
Interest income	(32,047)	(71,465)
Other expenses/(income)	-	8,061
	(32,047)	(63,404)
Net loss and comprehensive loss	547,364	1,203,913
Loss per share - basic & diluted	0.032	0.070
Weighted average number of shares outstanding	17,188,268	17,104,115

For the year ended July 31, 2025, the Company reported a net loss of \$547,364 compared to \$1,203,913 for the same period in 2024. This decrease in net loss was due to decrease in exploration expenses to \$108,309 (2024 - \$713,129), decrease in professional and consulting fees to \$6,193 (2024 - \$63,581), as well as transfer agent and filing fees \$30,899 (2024 - \$57,378).

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Summary of Quarterly Information

Selected quarterly information is presented below:

Quarter ended	Net loss and Net comprehensive loss for the period	Net loss per share	Number of shares
	\$	\$	\$
July 31, 2025	(172,706)	(0.010)	17,188,268
April 30, 2025	(154,140)	(0.009)	17,188,268
January 31, 2025	(104,150)	(0.006)	17,188,268
October 31, 2024	(116,369)	(0.007)	17,188,268
July 31, 2024	(203,445)	(0.012)	17,188,268
April 30, 2024	(169,203)	(0.010)	17,088,268
January 31, 2024	(750,760)	(0.044)	17,088,268
October 31, 2023	(80,505)	(0.005)	17,088,268

Results will vary significantly quarter by quarter as exploration programs tend to be episodic rather than continuous or smooth.

Transactions with Related Parties

Transactions with related parties were as follows:

For the year ended July 31,	2025	2024
	\$	\$
Management and other fees paid to companies controlled by Officers and Directors	282,000	282,000
Exploration expenditures paid to an officer as geological consultant to the company	16,564	17,926
Legal and professional fees paid to a firm of which Company's Secretary is a partner	16,375	15,825
	314,939	315,751

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	2025	2024
	\$	\$
Consulting fees payable to companies controlled by officers and Directors	-	1,409
Owing to a legal firm in which the corporate secretary is a partner	3,993	1,011
	3,993	2,420

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. It will 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 regards will 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 in the near future. As it

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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 supplies 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.

The Company intends to put increasing attention on the needs and wishes of the communities surrounding the LAB property. The possibility of becoming a supplier to the nearby Imerys/Timcal mine which is in production but nearing exhaustion of its ore reserves is one that could become increasingly significant to the Company.

Risk Factors

Purchasing securities of the Company must be considered highly speculative due to the nature of the Company’s business and its present stage of development. A purchase of such securities involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to assume such risk. The principal risks and uncertainties are summarized below. These do not necessarily comprise all of those that are potentially faced by the Company and are not intended to be presented in any assumed order of priority.

Management

The Company is dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. Further, management is comprised of a relatively small number of key officers and consultants, the loss of any of whom could have an adverse effect on the Company’s performance.

Additional Financing

In order to execute the anticipated growth strategy, the Company will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, and/or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable.

Environmental Risks

The Company may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties.

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No Ore Minerals

The Company has not done sufficient work to establish ores reserve. There is no assurance given by the Company that continuing work on the property(ies) will lead to defining sufficient quantities to report it as ore reserve.

Regulatory Requirements

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Title to Property

There may be challenges to title to the mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property.

ESG Risk Factors

The Company intends to put increasing attention on the needs and wishes of the communities surrounding the property(ies). There is no guarantee that the local community will support activity, and as such, may take actions to have the Company cease operations in the area.

Factors Beyond the Company’s Control

The potential profitability of mineral properties is dependent upon many factors beyond the Company’s control. For instance, world prices and markets for minerals are unpredictable, highly volatile, and potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company’s control, and such fluctuations will impact on profitability and may eliminate profitability altogether.

Statement of Compliance and Exemption

The accompanying quarterly financial statements have not been audited nor reviewed by the Company’s auditor.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Other

The Company maintains its website at www.graphano.com and will post documents 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

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public and suggestions for improvement in its communications, presentations and this document.

On behalf of the Board of Directors:

Dr. Luisa Moreno
November 24, 2025