



**FORM 51-102F1
SAINT JEAN CARBON INC.
MANAGEMENT DISCUSSION & ANALYSIS**

For the quarter ended July 31, 2018

This Management Discussion and Analysis (“MD&A”) was prepared September 27, 2018.

This MD&A of the results of operations and the financial condition of Saint Jean Carbon Inc. (“St. Jean” or the “Company”) supplements but does not form part of the unaudited financial statements and accompanying notes of the Company for the nine-month period ended July 31, 2018. Consequently, the following discussion and analysis of the financial condition and results of operations of Saint Jean Carbon Inc. should be read in conjunction with the unaudited condensed financial statements for the nine-month period ended July 31, 2018 and the audited financial statements for the year ended October 31, 2017.

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of St. Jean is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in the forward-looking information made as of the date of this MD&A.

With respect to timely disclosure by St. Jean of data and information in general, and especially in the MD&A, materiality and material information is considered by the Company as something that would be likely to affect the Company’s share price or influence an investor’s decision whether or not to buy, sell, or hold shares once it becomes known to the public.

Additional information can be found on St. Jean on the SEDAR website (www.sedar.com) and on the Company’s website (www.saintjeancarbon.com).

DESCRIPTION OF BUSINESS

St. Jean is a junior resource company involved in the acquisition and exploration of property interests that are considered potential sites of economic mineralization and the potential use of such mineralization in the production of graphite and graphene.

Throughout the last few years the Company has placed increasing attention to the design and build of green energy storage such as lithium-ion batteries. With green energy creation, the Company is working towards building materials that will allow the super-efficient transfer of the sun's energy through graphene such as the photocell. Several patents have been filed and the Company has partnered with universities to develop improved technologies. A processing mill was completed to convert raw materials into technologically advanced materials. Continual work is being done on these processes to develop value in the technology area.

The Company holds multiple Quebec graphite properties and continues to add new tenures. The Company continues to hold historic molybdenum properties in British Columbia and gold properties in Manitoba.

Since 2013, the Company has concentrated on the acquisition of lump graphite properties in the province of Quebec and is in the process of evaluating and developing these graphite properties. St. Jean has NI 43-101 reports on three of the properties. It has not yet determined whether they contain reserves that are economically recoverable. Work continues to be performed on the properties with extensive work being done on the Bell, Clot and Walker properties. There is currently work in progress on a Preliminary Economic Assessment ("PEA").

St. Jean is a reporting issuer in Alberta and British Columbia and is a listed Tier 2 issuer on the TSX Venture Exchange, trading under the symbol "SJL". The Company has also registered to trade in the United States on the OTC-QB market under the symbol TORVF. The Company is a Venture issuer and is not required to file an Annual Information Form.

GENERAL DEVELOPMENT OF THE BUSINESS

Saint Jean Carbon Inc. (formerly Torch River Resources Inc. and previous to that Torch River Mines Ltd.) was incorporated on June 18, 1997, by Certificate of Incorporation issued pursuant to the provisions of the *Companies Act* (Alberta) and extra-provincially registered to carry on business in the provinces of Saskatchewan, Manitoba, British Columbia and Quebec. On March 26, 2004, the Company was officially formed from the amalgamation of Tael Capital Inc. and Torch River Mines Ltd. under the *Business Corporations Act* (Alberta) under the name Torch River Resources Ltd. The amalgamation was the Company's Qualifying Transaction for listing on the TSX Venture Exchange. On October 30, 2013, the name of the Company was changed from Torch River Resources Ltd. to Saint Jean Carbon Inc.

On July 8, 2005, the Company signed an option agreement with Red Bird Resources Ltd. (the "Red Bird Option Agreement") on a molybdenum mineral claim located in the central coastal region of British Columbia. The Company retains a 25% undivided interest in the property which was earned as at May 31, 2008.

On February 12, 2008, the Company signed an option agreement on (the "Mount Copeland Option Agreement") a past producing molybdenum property located near Revelstoke, British Columbia (the "Mount Copeland property"). The Company

through an amending agreement has acquired 100% of the property (subject only to a 2.75% Net Smelter Agreement).

In 2013, the Company moved into the graphite space by acquiring the Walker graphite property. The property is located in Quebec, 40 kilometers northeast of Ottawa. This is a past lump graphite producing property. Additional tenures were added in the area surrounding this property during the 2016 fiscal year.

On February 2, 2015, the Company announced that it had completed the acquisition of the Clot Property.

Since October, 2015, the Company has announced multiple Research Grants from the Natural Sciences and Engineering Research Council of Canada (“NSERC”) to cover work conducted at the University of Waterloo (“Waterloo”) Carbon Nanotechnologies Laboratory and the University of Western Ontario (“Western”) Chemical and Bio Chemical Engineering Department.

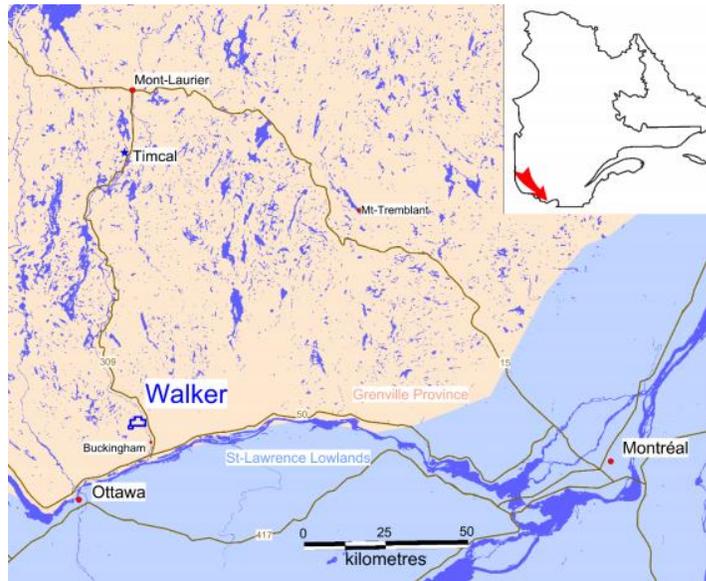
On June 8, 2016, the Company announced that it had acquired the Bell Hydrothermal lump/vein graphite mine. The Bell property comprises 13 claims (CDC) for a total area of 782.47 ha. It is located on Buckingham and Lochaber Townships in southwestern Québec. A drill program was completed with results published in August, 2017.

On August 10, 2016, the Company announced that they had acquired their first of two Lithium properties, the Whabouchi South Lithium Project located in the James Bay region of Quebec. On October 28, 2016, the Company announced that it had closed the transaction for an additional 27 lithium claims in south Whabouchi. These claims are contiguous with the claims acquired in August 2016 located in the James Bay region of Quebec. An additional 34 graphite mining claims located in southwestern Quebec in the Buckingham district were acquired in August, 2016.

On July 19, 2018, the Company announced that they had acquired a 100% ownership of the historical mining property known as the Lochaber claims located in South Western Quebec (the “Lochaber Property”) in the same general region as the Company’s other flag ship properties from Great Lake Graphite Inc. (the “Vendor”) an arm’s length vendor. As consideration for the Lochaber Property, the Company: (i) issued 750,000 common shares (on a post-consolidation basis) of the Company at a deemed value of \$0.20 per share to the Vendor; (ii) paid cash consideration of \$425,000 to the Vendor by way of offset of an accounts receivable owing by the vendor; (iii) will pay a 1.75% net operational operating cost royalty to the Vendor for 10 years (the “Royalty”); and (iv) has entered into an offtake agreement with the Vendor providing the Vendor with a first right of refusal to purchase up to 10,000 metric tons per year for the life of the Lochaber mine. For clarity, the supply of the material under the offtake agreement will be at market value and the Royalty will not apply to purchases made pursuant to the offtake agreement.

SUMMARY OF PROPERTIES

Walker



The Walker property is located 8 kilometers northwest of Buckingham, in Buckingham Township. The property comprises of 22 claims with a total area of 1,322 hectares.

The Walker property includes the Walker mine, a past graphite producer with about 816 tons of flaky and lump graphite extracted from the mine between 1876 and 1906. Main roads are located 2 kilometers away from the Walker Mine. A secondary or private road runs up to the property site which allows for easy access. The property is located in the Central Metasedimentary Belt of the Grenville geological Province, which comprises north-northeast trending marble and quartzite domains that also include quartzo-feldspathic gneisses and tonalitic intrusions. In the area surrounding Walker Property, regional metamorphism is upper amphibolite grade and reaches the granulite facies, locally.

The Walker property was first worked by the Buckingham Mining and Dominion of Canada Plumbago Co. In 1876, Dominion of Canada Plumbago Co. erected a mill on lot 19 which was connected with the mine by 335 m of tramway. Graphite of the disseminated form was abundant on all the lots 19, 20 and 21 of the VIII range while the vein (or lump) graphite form was predominant on lot 21 of the VII and VIII ranges (Obalski 1889, Spence 1920).

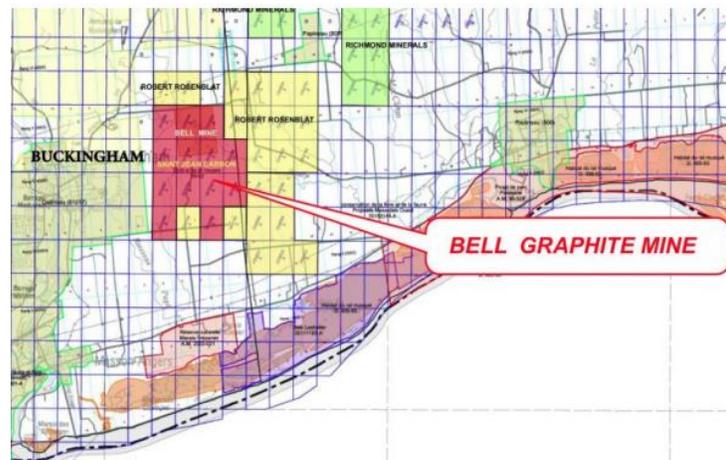
In 1879, Mr. W. H. Walker of Ottawa purchased the mines from Dominion of Canada Plumbago Co. In 1889, about 100 t. of lump graphite were recorded to have been mined from 15 distinct veins. After some intermittent work between 1890 and 1896, operations ceased until 1906, when the Buckingham Graphite Co. partially remodeled the mill, installing a dry process of concentration, and mined some ore. This represents the last work on the property (Spence 1920).

Graphite from the disseminated forms was mined from several beds of 1 to 7.5 m in thickness, on a hill 30 to 60 m high, at the foot of which an opening was made followed by a drift running for 21 m into the ore. The carbon content was reported to average 15% and could reach 25% (Spence 1920). The mineralized horizon strikes northeast and dips 60°. The veins or pods are irregular, massive to semi massive and could reach up to four inches (0.1 m) in thickness and could be followed over length from 3 to 15.8 metres (Denis et al. 1913). Most of them adopt a NE trend and occur near the contact between crystalline marble and paragneiss. There are more than 30 pits reported in an area comprised within lots 19 to 21 in ranges VII, VII and IX of the Buckingham Township (Maurice, 1984). It has to be noted that these pits may not be entirely inside Walker's property.

On October 15, 2013, the Company announced results of two test programs on its lump graphite, those being the combination of higher reagent concentration and longer retention times in the fifth test which provided the 99.1% C best result (see news release for details). The test work was carried out at Process Research Ortech in Mississauga, Ontario and lab analysis was done at Activation Laboratories in Ancaster, Ontario.

Also, in October 2013, a beep mat survey was undertaken in the west portion of the property, on a grid over old pits from which vein type graphite was extracted. The survey returned 20 conductive anomalies forming two distinct clusters. Small graphite veins were exposed below strongest beep mat anomalies at depths ranging from 0.3 to 0.6 m. During the summer of 2016, helicopter-borne magnetic and TDEM surveys were received from Prospectair Geoservice as they flew over the Walker property.

Bell Graphite



The Bell property was acquired in June of 2016 and comprises of 13 claims (CDC) for a total area of 782.5 ha. It is located on Buckingham and Lochaber Townships in southwestern Québec, about 135 km west of Montréal, Quebec and 30 km northeast of Ottawa, Ontario, located on Buckingham and Lochaber townships in southwestern Quebec. An 43-101 report was published on this property in 2015. Helicopter-borne

magnetic and TDEM surveys were also received from Prospectair Geoservice, as part of our work program when they flew over the Bell property in the summer of 2016. All previous drill holes (1951-1952) have been digitalized and drill sites have been checked in the field. In 2017, a ground Phispy geophysical survey over the northern and central part of the property has been carried out. Several geophysical anomalies have been picked-up over good lengths. Some of them correspond to the old mining operations. In May 2017, Saint Jean Carbon Inc. completed a drilling program comprising eleven drill holes for a total length of 1,337 m. Several of the holes were verifying the previous drill holes while other were controlling the extensions at depth of the mineralized zones. Assay results have been released.

Historically, the Bell Mine produced about 6,700 tons of graphite between 1906 and 1912 while the New Québec Mine produced 2,500 tons of graphite from 1912 to 1920. Exploration drilling was performed in the early fifties which define the downward extension of Bell Mine graphite deposit.

The property is found in the Central Metasedimentary Belt (CMB) of the Grenville geological Province, with regional metamorphism reaching upper amphibolite grade and granulite facies locally. The Buckingham Property is mostly underlain by different types of paragneisses intermixed with large bands and lenses of marbles and quartzites with SW-NE to NS orientation.

Known graphite mineralization consist of multiple narrow bands trending NNE (020°). At the Bell Mine site, these bands occur in paragneiss and biotite gneisses in association with disseminated pyrite. They were found within a working thickness from 1 to 5 m and have been followed over a strike length of 660 m and its extension at depth has been demonstrated by drilling in 1950 and 2017. At the New Quebec smaller mine pits, the graphite is associated with a grey calcite-biotite gneiss, devoid of sulfides. One of the pits follow a one meter thick highly schistozed zone enriched with flaky graphite over a 10 m strike length and is well exposed at its northern end.

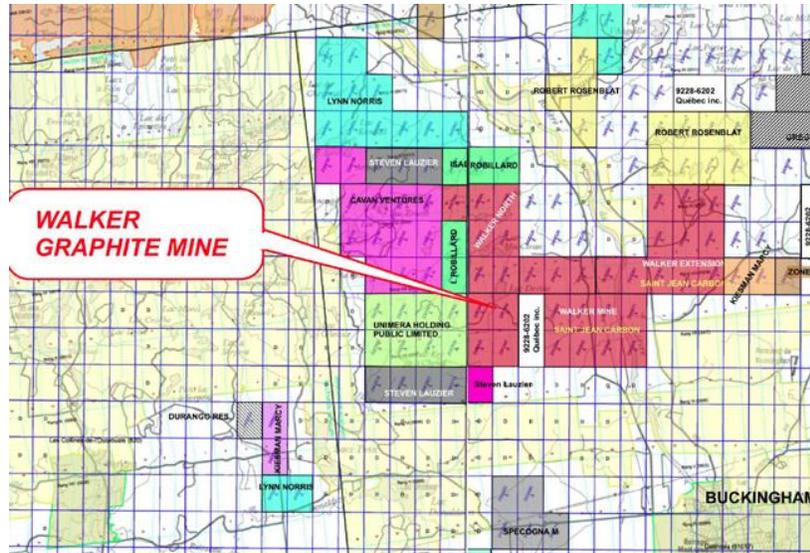
Graphite enrichment within highly schistose bands may imply migration and recrystallization as large flakes in shear zones which may have enhanced both continuity and quality of the mineralization. EM geophysics is well suited to better define such mineralization.

Exploration included two phases of works during the summer of 2013 and the spring of 2015. Remnants of graphite rich bands (47 samples) from historical mine pits were submitted to ALS Chemex Laboratory in Val-d'Or which returned concentration from traces to 22% organic carbon.

The historical drilling by Frobisher Ltd in early fifties defines the extension at depth of the Bell Mine Graphite Deposit and resulted in a pre-NI 43-101 estimation of 185,100 tons at 9.4 % graphite which constituted an exploration target by today's standard. Although this graphite occurrence shows the high potential of the property it may not be the best targets on the property because of the presence of pyrite and its higher depth. Instead, the lateral extension of the graphite rich schistose zone should be investigated by geophysics and trenching, which may reveal shallow occurrence of high quality graphite.

Upon further drilling, an NI-43-101 compliant mineral resource estimation dated November 25, 2017 was published. There is a resource of 1.95 million tonnes grading 5.1% contained graphite.

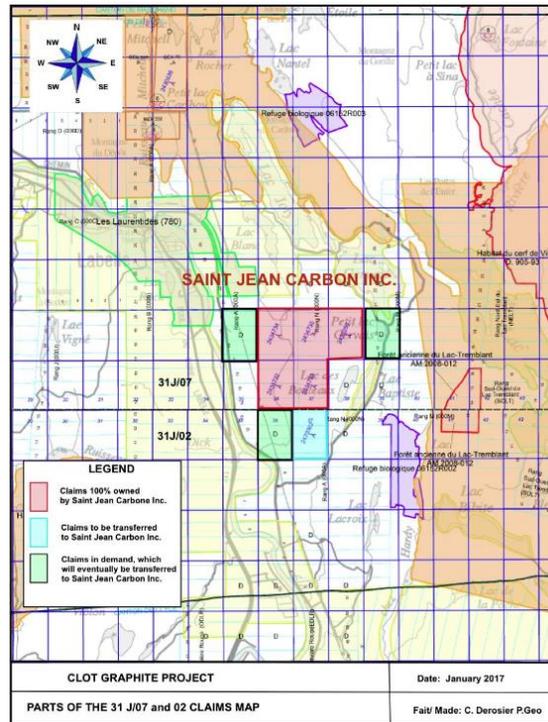
Buckingham / Kendall



The Buckingham / Kendall property now also known as the Walker Extension, was acquired in August of 2016 and comprises of 22 claims (CDC) for a total area of 1,322 ha. It is located on Buckingham and Lochaber Townships in southwestern Québec, about 135 km west of Montréal, Quebec and 30 km northeast of Ottawa, Ontario, located on Buckingham and Lochaber townships in southwestern Quebec.

The historical Ruisseau McGuire graphite mine is located on this property. Also, Gorman Feldspar mine (GM 35603, GM 45932) and Whitfield mine (GM35603). The Gorman Feldspar mine, discovered in 1922 produced about 45 tonnes.

Clot



The Clot property is located 3 kilometers South of Labelle village in the Laurentian region, about 150 kilometers northwest of Montréal and is depicted in NTS map 31J07 (Joly Township). The property consists of 5 claims for a total of 297.35 hectares. The property is readily accessed from public roads connecting to Labelle village. The east portion of the property is on public land whereas the westernmost claims are on private land. The property is found in the Morin Terrane of the Grenville geological Province, near the Labelle Deformation Zone which separates the Morin Terrane to the East with the Central Metasedimentary Belt to the West.

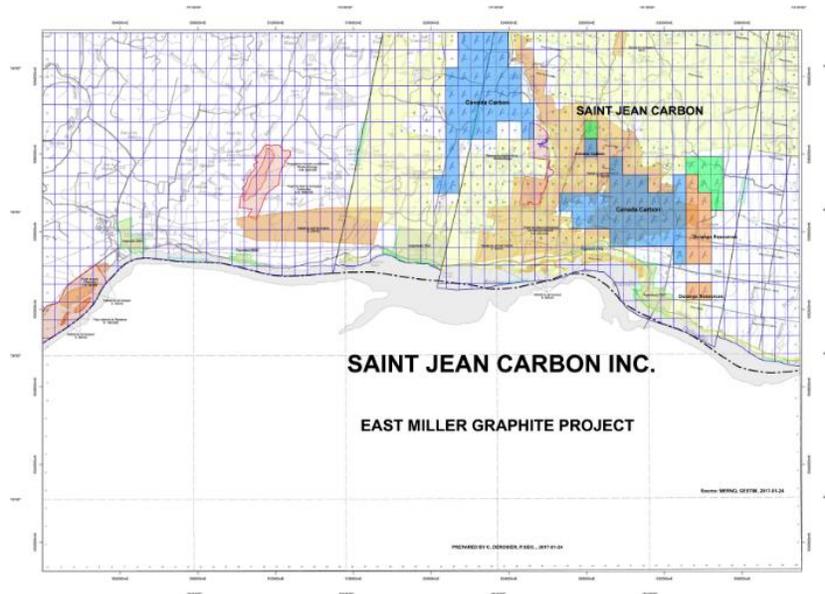
The Morin Terrane includes the Morin Anorthosite Complex and related granitic intrusions with granulite –facies mineral assemblages. These intrusive rocks consist of monzonite, or hypersthene-bearing monzonite (mangerite) and some granites. Anorthosite-suite rocks are deformed both in shear zones and in the interior of the terrane and show intrusive contact relations with marbles which were observed near the St. Jovite village.

The Clot Property is underlain with highly metamorphosed rocks (granulites and sillimanite- garnet- biotite paragneisses), in a highly deformed area (Labelle Deformation zone). These rocks are in contact with calc-silicate rocks in the northeast portion of the property. Clot Mine, located some 150 m away from the property, is hosted in the same lithology. This graphite deposit was discovered in 1907 and worked intermittently until 1919. Prospecting activity and staking took place in 30's and '40's. Quebec Graphite Corp. acquired the property in 1953. Graphite mineralization consisted of lump graphite in veins and disseminations, in a zone measuring 200 ft. in length and 10 - 15 ft. in width. Spence (GM15290) visited the mineralized

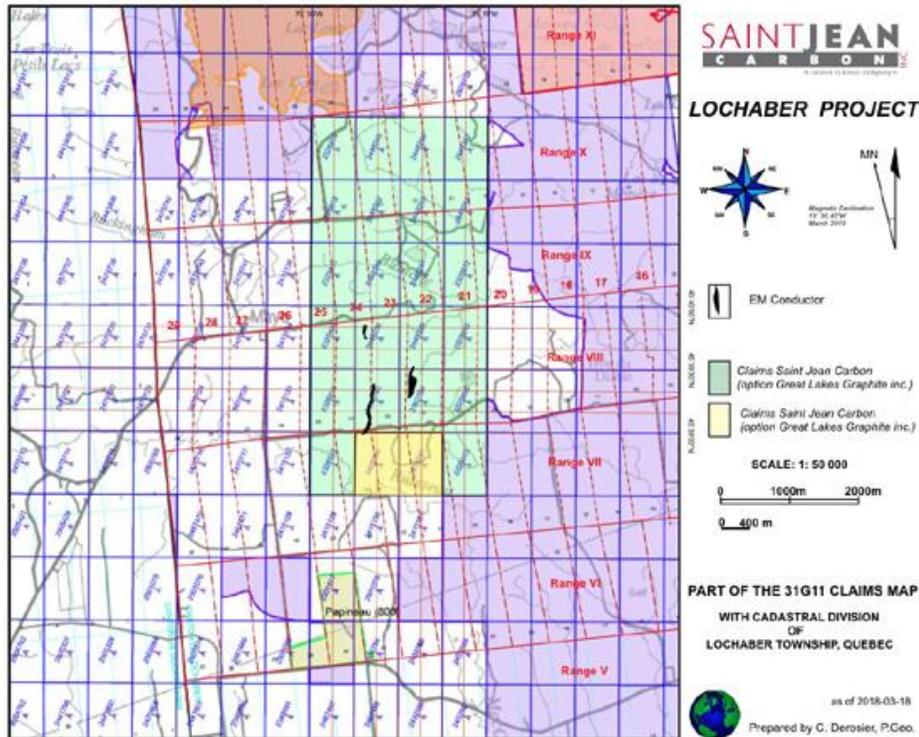
occurrence in 1942 and reported graphitic veinlets (1 to 2 inches thick) that were described as being formed around small brecciated, angular fragments and blocks of marbles. They form a band striking more or less north-south and dipping at 65° W.

On June 1, 2015, the Company published an NI 43-101 technical report on the Clot property.

Last year, the Company undertook a 35 km line cutting program which was followed by a ground magnetometer survey. Results of this survey are encouraging and justify the next exploration phase.



Lochaber



HISTORIC PROPERTIES

Red Bird Property

The Red Bird molybdenum property consists of three mineral claims situated in the Skeena Mining Division of west central British Columbia 133 kilometers southwest of Burns Lake and 105 kilometers north of Bella Coola. The property covers an area of 444.49 hectares centered on latitude 53°17'44" North and longitude 127°00'34" West in NTS map area 93E/6.

On July 8, 2005, Red Bird Resources Ltd and the Company entered into the Red Bird Option Agreement for the Red Bird Property. The Red Bird Property represents an advanced molybdenum, copper and rhenium porphyry target. As of May 31, 2008, the Company became the legal and beneficial owner of a non-transferable 25% undivided interest in the property. In 2008, an NI 43-101 technical report identified an indicated mineral resource of 88,210,000 tonnes grading .061% molybdenum and .068% copper at a cutoff grade of .03% molybdenum on the Red Bird Property. The Company is considering divesting this property now that its focus is on graphite.

High Rock Property and Climpy Property

The High Rock Property and the Climpy Property are gold prospects in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,550 hectares High Rock consists of 9 mining claims covering 1,307 hectares and the

Climpy Property consists of one claim covering 243 hectares St. Jean holds a 100% interest in all claims. There was 895 feet of drilling done in 2004. Assay results range from trace to .154 oz. /t of gold. Further comprehensive development in the form of bulk sampling will be required on both the Juniper Vein as well as the Main Vein to establish the economic viability of the property. There has been no recent exploration conducted. Tenures on the Climpy property are to 2035 while High Rock was extended to 2022. The Company is considering divesting these properties now that its focus is directed on graphite.

Mount Copeland Property

The Mount Copeland Property featured underground production (1970-73) which produced 171,052 tonnes of molybdenum ore and produced 1,193,222 Kg of molybdenum. The calculated head grade for this production was 0.732% Mo. When the Mount Copeland Property was in production in 1970 development work indicated 163,340 tonnes of ore at a grade of 1.83% MoS₂ (or 1.1 % molybdenum). The ore indicated prior to mining, has been essentially extracted. The information above is included for comparison purposes only (derived from the December 01, 2008 NI 43-101 Technical Report and the MINFILE Record Summary for MINFILE No. 082M 002 (Mount Copeland), B.C. Ministry of Energy, Mines and Petroleum Resources and the MINFILE Productions Detail Report, B.C. Geological Survey, B.C. Ministry of Energy, Mines and Petroleum Resources) This can be viewed at:

<http://minfile.gov.bc.ca/Summary.aspx?minfilno=082M++002>

http://minfile.gov.bc.ca/report.aspx?f=PDF&r=Production_Detail.rpt&minfilno=082M++002

In 2008, there was a 10-hole drill program of 2,878 meters completed. A NI 43-101 Technical Report dated December 1, 2008 was completed and posted on SEDAR on March 16, 2009.

On January 5, 2010, the Company announced results of 31 samples from 7 drill holes from 2008 that were assayed for Rare Earth Elements. A further release dated March 9, 2010 provided mean average values for rare earth elements from the 31 core samples and 53 soil samples. The Mount Copeland option agreement has two claims comprising a total of 730.127 hectares. The Company is considering divesting these properties now that the focus of the company is on graphite.

SELECTED QUARTERLY INFORMATION
(Eight Quarter history)

<i>Item</i>	<i>Qtr 3/17 Three Months Ended Jul 31, 2018</i>	<i>Qtr 2/18 Three Months Ended April 30, 2018</i>	<i>Qtr 1/18 Three Months Ended Jan 31, 2018</i>	<i>Qtr 4/17 Three Months Ended Oct 31, 2017</i>
<i>Cash & Cash Equivalents including short term investments</i>	152,883	46,110	226,213	1,081,436
<i>Mineral Exploration and evaluation assets</i>	5,072,703	4,458,470	4,458,470	4,387,693
<i>Working Capital (Deficiency)</i>	(97,851)	245,539	19,334	690,945
<i>Net Sales</i>	-	393,870	-	-
<i>Loss before extraordinary items</i>	(267,562)	(40,437)	(443,549)	(233,342)
<i>Loss after extraordinary items</i>	(267,562)	(40,437)	(443,549)	(233,342)
<i>Loss per share, basic</i>	(0.004)	(0.001)	(0.007)	(0.004)
<i>Loss per share, fully diluted</i>	(0.004)	(0.001)	(0.007)	(0.004)
<i>Total Assets</i>	6,034,062	5,785,481	5,494,435	5,946,109
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

<i>Item</i>	<i>Qtr 3/17 Three Months Ended Jul 31, 2017</i>	<i>Qtr 2/17 Three Months Ended Apr 30, 2017</i>	<i>Qtr 1/17 Three Months Ended Jan 31, 2017</i>	<i>Qtr 4/16 Three Months Ended Oct 31, 2016</i>
<i>Cash & Cash Equivalents including short term investments</i>	1,120,649	1,148,871	901,300	21,499
<i>Mineral Exploration and evaluation assets</i>	4,075,617	3,781,731	3,623,994	3,390,920
<i>Working Capital</i>	675,146	786,113	378,082	(898,156)
<i>Net Sales</i>	-	7	-	-
<i>Loss before extraordinary items</i>	(318,153)	(401,155)	(767,194)	(55,640)
<i>Loss after extraordinary items</i>	(318,153)	(401,155)	(767,194)	(55,640)
<i>Loss per share, basic</i>	(0.006)	(0.009)	(0.019)	(0.002)
<i>Loss per share, fully diluted</i>	(0.006)	(0.009)	(0.019)	(0.002)
<i>Total Assets</i>	5,482,763	5,243,9524	4,662,710	3,474,730
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

The tables are stated in Canadian dollars. These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

RESULTS OF OPERATIONS

Revenue and Cost of Goods Sold for the period ended July 31, 2018

Revenue for the three-month period ended July 31, 2018 and the comparative period was \$nil.

Revenue for the nine-month period ended July 31, 2018 was \$393,870 compared to \$nil for the comparative period. This revenue was earned to process and analyze graphite samples. Cost of goods sold for the nine-month period ended July 31, 2018 was \$79,500 compared to \$nil for the comparative period.

Expenses for the three months ended July 31, 2018

Total expenses for the three-month period ended July 31, 2018 were \$267,562 compared to \$318,158 for the comparable 2017 period, a decrease of \$50,596. A significant portion of the decrease resulted from lower management fees, investor relations costs and professional fees during the current quarter, partially offset by increased sales and marketing expense and general meeting costs. The major components were:

- Management fees were lower during the current quarter by \$48,525 primarily due to recovery of past fees.
- Investor relations costs were lower during the current quarter by \$36,555 primarily due to discontinuation of a contract.
- Professional fees were lower than previous year by \$101,045 primarily due to lower legal fees.
- Sales and marketing services during this quarter were higher by \$17,600 due to additional resources to reach out and increase the company's presence in the marketplace.
- General meetings expense was higher by \$12,681 this quarter due to costs related to the annual general meeting held during the current quarter.

Expenses for the nine months ended July 31, 2018

Total expenses for the nine-month period ended July 31, 2018 were \$1,065,980 compared to \$1,486,516 for the comparable period, a decrease of \$420,536. A significant portion of the decrease resulted from the issuance of stock options during the previous year, a non-cash stock option expense of \$500,240 while there were none in the current year. The net result after removal of the stock option expense was an increase in expenses compared to last year of \$79,704. The major components were:

- Industry partner research costs of \$118,750 were incurred against two university projects that are intended to advance knowledge in graphite projects.
- Additional Sales and Marketing services of \$111,350 this year to additional resources used to reach out and increase the company's presence in the marketplace.

- Amortization charges were higher by \$46,247 primarily due to amortization for the research and development mill and leasehold improvements in the current quarter while none were expensed in 2017.
- Mill operating expenses of \$32,470 during the current year-to-date period while none were expensed in 2017, since the mill was not operating at that time.
- Professional fees were lower than previous year by \$105,505 primarily due to lower legal fees.
- Filing fees were lower by \$36,507 primarily due to \$34,978 paid during the comparative period for the listing on the OTC-QB US filing platform in 2017.

BASIS OF PRESENTATION AND GOING CONCERN

The condensed unaudited financial statements have been prepared in accordance with International Accounting Standards (“IAS”) issued by the International Accounting Standards Board. Accordingly, these statements should be read in conjunction with the audited annual financial statements, which were prepared in accordance with IFRS as issued by IASB.

LIQUIDITY AND CAPITAL RESOURCES

At the end of this reporting quarter, St. Jean had a working capital deficiency of \$97,851 compared to the positive working capital on October 31, 2017 of \$690,945, a decline of \$788,796. Cash and cash equivalents were \$152,883 compared to \$1,081,436 as at October 31, 2017.

The following funding was received during the reporting period.

- On January 25, 2018, the Company closed the first tranche of a private placement consisting of 2,600,000 units at a price of \$0.05 per Common Unit for gross proceeds of \$130,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.05 per Common Share for a period of 36 months from the date of issuance.
- On February 8, 2018, the Company closed the second tranche of a private placement consisting of 7,500,000 units at a price of \$0.05 per Common Unit for gross proceeds of \$375,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.05 per Common Share for a period of 36 months from the date of issuance.
- On June 28, 2018, the Company closed the first tranche of a private placement consisting of 2,000,000 units at a price of \$0.05 per Common Unit for gross proceeds of \$100,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.075 per Common Share for a period of 36 months from the date of issuance.

- On June 28, 2018, the Company also closed 400,000 flow-through units at a price of \$0.05 per Common Unit for gross proceeds of \$20,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.075 per Common Share for a period of 36 months from the date of issuance.
- On July 5, 2018, the Company closed the second tranche of a private placement consisting of 4,800,000 units at a price of \$0.05 per Common Unit for gross proceeds of \$240,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.075 per Common Share for a period of 36 months from the date of issuance.
- On July 5, 2018, the Company also closed 4,800,000 flow-through units at a price of \$0.05 per Common Unit for gross proceeds of \$240,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.075 per Common Share for a period of 36 months from the date of issuance.
- On July 18, 2018, the Company closed the third tranche of a private placement consisting of 4,800,000 flow-through units at a price of \$0.05 per Common Unit for gross proceeds of \$240,000. Each common unit consists of one (1) Common Share in the capital of the Company and, one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one (1) additional Common Share at an exercise price of \$0.075 per Common Share for a period of 36 months from the date of issuance.

No stock options were granted or exercised during the period.

Saint Jean Carbon currently does not have credit facilities with financial institutions and does not anticipate that it will generate significant revenue from its activities during the next few months; therefore, it will rely on its ability to obtain equity financing for operations.

Management anticipates that it will be able to raise sufficient capital to further explore and develop its properties and carry out its projects in the future. The Company, however, cannot provide any assurance that equity financing will be available on terms and conditions acceptable to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CURRENT BUSINESS ACTIVITY

Property Exploration

A key priority during this quarter was to further test the graphite from the properties held by the Company. An NI 43-101 commenced on the Bell in the fall and the final

report was dated on November 25, 2017. With a prioritization of the grade and considering the zone continuity optimization, the author of the report considers that this property has an Inferred mineral resource of 1.95 million tonnes grading 1.7% contained graphite. This mineral resource includes an Indicated mineral resource of 380,000 tonnes grading 5.1% Cg.

Preparation of the Preliminary Economic Assessment (“PEA”) continues as the company continues to strategize on moving the properties to the next level. Additional properties are being pursued. The data from those properties will be included and once that data is incorporated, the PEA is expected to be issued.

On July 19, 2018, the Company acquired the Lochaber property located at 10 km north-east of Buckingham, Quebec, from Great Lakes Graphite Inc. That property has an estimated Inferred mineral resource of 4.09 million tonnes with an average grade of 4.01% graphitic carbon (SRK’s NI 43-101 compliant report, 2015). The estimation was made with a cut-off grade of 2.45% Cg, a price of US\$ 1,600 per tonne graphite and a recovery of 96.5%.

Processing Mill

The Research and Development facility houses an operating processing mill. Continual enhancements have taken place to calibrate the unit to optimize throughput. This mill will be used for the testing of graphite materials and to process mined material, determine its suitability for potential customers and manufacture battery anodes. Third party graphite was processed through the mill this quarter. These samples were crushed, had secondary crushing, air classified, ran through the ball mill, floated, jet milled, shaped and tested. Several potential customers have expressed an interest in the Company processing their material.

The main highlight of the mill is the Company’s proprietary and patent pending processes for greatly increasing the head grade of the mineralized material before fine milling and floating. This allows for significantly smaller equipment and footprint as the process is working mostly with nearly finished product and does not need to process large amounts of waste material. The facility will be able to create a wide variety of sizing and shaping without waste. No harsh chemicals are used to increase the purity.

This facility is to produce the very best quality graphite for a host of applications: lithium-ion batteries for electric cars, tools, cell phones, etc.

Research / Product Development

On December 20, 2016, the company announced that the collaborative research with a team from Western University has created glowing carbon dots. The carbon dots have been created to glow in an entire array of colours. The significance of the technology is the ability to create light and colour with less energy consumption.

On February 23, 2017, the Company announced that it has set the preliminary numbers for the graphene battery project announced on January 18th, 2017.

On February 28, 2017, and subsequently clarified on March 3rd and 20th, 2017, the Company announced that it received an order for 5 kg of graphite for testing by a major battery manufacturer.

On March 8, 2017, the Company announced that the St. Jean co-authored with Western (Jin Zhan, Ph.D., Associate Professor Department of Chemical and Biochemical Engineering) published a paper titled, “Deposition of YBCO Nanoparticles on Graphene Using Matrix-assisted Pulsed Laser Evaporation” that has been accepted for presentation and publication in the proceedings of International Conference on Nanotechnology: Fundamentals and Applications (ICNFA’17).

On April 20, 2017 St. Jean announced the results of the graphene battery project phase one of three, previously announced on January 19, 2017. Although very preliminary at this point, the graphene battery outperformed the graphite battery.

On June 14, 2017 the Company announced that it had completed a full cell graphene battery.

There were two university research projects which the Company contributed \$118,750 in the current quarter. These projects were with the Universities of Western and Waterloo. The first participation project and grant is for the continued collaborative research and development of modification and scale-up of graphene for supercapacitor applications. A supercapacitor made with graphene is very similar to a graphene lithium-ion battery, except that the supercapacitor battery may have a higher rate of charge and discharge. The second project and grant is for the collaborative research and development of luminescent carbon dots for multi-applications. The Company will work to further the research that was started last year with the development of carbon dots which may be used for a variety of applications such as the use of dots for solar panels as the Company continues to develop energy storage solutions.

Summary

The Company has been continuing exploration on the it’s Quebec graphite properties and researching to consider other property acquisitions to increase the resource base and opportunities to move the Company forward to the use of product on our properties. This has been done through exploration programs as well as moving to complete a Preliminary Economic Assessment on our assets.

The Company has also devoted resources to the Research and Development facility and in building of a Processing mill. This and efforts with Waterloo and Western have been done to move toward enhancing the quality of graphite material and the design and build of green energy storage such as lithium-ion batteries, using Quebec graphite that could be used in electric cars, mass energy storage for home applications and for small batteries for a typical TV remote control. We strive to create the best carbon for the anode in such devises. With green energy creation, we are working toward building materials that will allow super-efficient transfer of the sun’s energy through graphene as the photocell. Green re-creation is the final step in development of materials that can be reused to recreate the original purpose of the materials. All of

this is challenging but we feel we have placed the company at the forefront of the green technology boom and with that created strong shareholder return on investment. Through its working arrangements with universities, research and efforts, the Company has continued to expand its intellectual property.

The direction and goal of the Company is to be a leading-edge company and to align with clean energy creation and energy storage companies around the world. The Company also continues to develop our Quebec graphite properties for product supply.

We continue to pursue sales and other revenue streams through joint ventures, acquisitions and material trade. We are working with universities in both Canada and the United States with an eye on licensing and developing our own intellectual property. We feel that putting significant efforts to graphene production / development will put the company in a good position to grow and take advantage of what we feel is the next big development in the carbon business. We see the company working as a partner with companies that want to have advanced materials as a part of their product, but we do not see ourselves as the manufacturer of the application, rather the supplier of the high-grade material to a specific specification.

RISK AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible.

One of the principal activities of the Company is mineral exploration which is inherently risky. Exploration is also capital intensive and the Company currently has no significant source of income. However, the Company has placed increasing emphasis and resources on green energy storage and this will mitigate some of the risk. Only the skills of its management in the mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

SHARES ISSUED AND OUTSTANDING

ISSUED SHARE CAPITAL

Effective June 12, 2018, the Company's common shares were consolidated on the basis of one post-consolidation common share for every four pre-consolidation common shares (the "Consolidation"). The Consolidation was approved by the Company's shareholders at the Annual and Special Meeting of the shareholders of the Company held on May 25, 2018 and was accepted by the TSX Venture Exchange. The Company had 249,120,130 common shares outstanding and, following the Consolidation, had approximately 62,280,032 common shares outstanding. No fractional common shares of the Company were issued.

Statement of Changes in Shareholders' Equity, Common Shares

	July 31, 2018	
	Number of shares	Share Capital
Beginning balance	238,770,130	\$20,034,138
Private Placements (pre-consolidation)	10,100,000	505,000
Property Acquisition (pre-consolidation)	250,000	8,750
Cancelled due to 4:1 consolidation	(186,840,098)	-
Share issuance costs	-	(100,531)
Private Placements (post-consolidation)	8,300,000	415,000
Property Acquisition (post-consolidation)	750,000	150,000
Balance	<u>71,330,032</u>	<u>\$21,012,357</u>

	July 31, 2017	
	Number of shares	Share Capital
Beginning balance	152,198,160	\$15,921,411
Private Placements	52,712,700	2,635,635
Share issuance costs	-	(308,450)
Property Acquisition	-	-
Warrant Redemption	20,071,000	1,144,300
Finders Options Redemption	3,388,270	169,414
Flow through shares	-	(288,000)
Balance	<u>228,370,130</u>	<u>\$19,274,310</u>

OPTIONS

	Number of options	Weighted Average Exercise Price
Balance, October 31, 2017	17,815,689	\$0.05
Cancelled due to 4:1 consolidation	(13,361,767)	\$0.05
Granted	-	-
Expired	-	-
Exercised	-	-
Balance July 31, 2018	<u>4,453,922</u>	<u>\$0.20</u>

Options Granted

A summary of outstanding options as at July 31, 2018 is as follows:

<u>Number of Shares Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	\$0.05	December 12, 2019
1,595,172	\$0.05	June 16, 2020
412,500	\$0.05	April 5, 2021
1,246,250	\$0.05	November 8, 2021
<u>900,000</u>	\$0.05	January 13, 2022
<u>4,453,922</u>		

FINDER'S OPTIONS

On November 24, 2016, 124,500 (adjusted for 4:1 consolidation) Finder's Options were granted at a price of \$0.20 per share, for a period of three years; 62,250 (adjusted for 4:1 consolidation) remain outstanding as at July 31, 2018.

On December 12, 2016, 487,317 (adjusted for 4:1 consolidation) Finder's Options were granted at a price of \$0.20 per share, for a period of three years; 160,000 (adjusted for 4:1 consolidation) remain outstanding as at July 31, 2018.

WARRANTS

A summary of outstanding warrants as at July 31, 2018 is as follows:

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>
Balance, October 31, 2017	42,590,000	\$0.06
Granted (pre-consolidation)	10,793,000	\$0.05
Cancelled due to 4:1 consolidation	(40,037,250)	\$0.06
Granted (post-consolidation)	3,500,000	\$0.075
Expired	-	-
Exercised	-	-
Balance July 31, 2018	<u>16,845,750</u>	<u>\$0.19</u>

A summary of outstanding warrants as at July 31, 2018 is as follows:

Number of Warrants	Exercise Price	Expiry Date
1,250,000	\$0.24	December 21, 2018
572,500	\$0.24	April 26, 2019
135,000	\$0.24	May 04, 2019
2,660,000	\$0.22	October 5, 2019
3,222,500	\$0.22	December 12, 2020
695,500	\$0.20	January 25, 2021
2,002,750	\$0.20	February 8, 2021
1,705,000	\$0.22	May 17, 2021
1,162,500	\$0.22	May 29, 2021
2,400,000	\$0.075	June 28, 2021
1,100,000	\$0.075	July 18, 2021
16,845,750		

RELATED PARTY TRANSACTIONS

During the reporting quarter, the Company incurred charges from the board of directors, chief executive officer, chief financial officer, president and chief technology officer. The total related party transactions for the three-month period is summarized as follows:

Key Management Compensation	Nine-month period ended July 31,	
	2018	2017
Retainers, wages and benefits	\$268,617	\$492,317
Share based payments	-	-
Mineral exploration and evaluation costs	12,500	-
Equipment additions	15,000	-
Cost of goods sold	18,750	-
Expense reimbursement	36,196	27,044
Total	\$351,063	\$519,361

Services & reimbursement of expenses	Nine-month period ended July 31,	
	2018	2017
Company controlled by the CEO	\$ 225,000	\$ 349,646
Partnership of which the CFO is a partner	16,867	-
Company controlled by the former CFO	81,000	114,500
Business controlled by the President	(8,000)	-
Share based payments	-	-
Salaries and benefits (President)	-	28,171
Reimbursement of expenses	36,196	27,044

These transactions occurred during the normal course of operations.

RELATED PARTY LOANS

There are no related party loans.

SUBSEQUENT EVENTS

- On March 27, 2018, the Company announced that it had entered into an arm's length non-binding term sheet with Gratomic to acquire the Montpellier mining claims located in South Western Quebec. Terms of the transaction, the Company will issue 4,000,000 shares upon closing and pay a 1.75% Net Operational Operating Cost royalty ("NOOCR") for ten years if production has commenced on the subject claims. This transaction is currently continuing though due diligence and the Company expects to enter into a final agreement within the next month.
- On March 29, 2018, the Company announced that it had signed a term sheet with the landowner (4300351 Canada Inc.) of the Montpellier mining claims located in South Western Quebec. The agreement is for 25 years and gives the Company the right to work the property and full access. The Company will make a onetime payment of \$500,000 payable in the capital stock of the Company upon the completion of the surface rights agreement(s). An issuance of a further 2,500,000 options to be at market price for three years, if the infill drill program is complete and a resource estimate of 10,000,000 tons of mineralized material is defined. Pay a yearly 5% Net Production Royalty (NPR) and a yearly 1.5% Gross Sales Royalty (GSR). A further 1,000,000 bonus shares will be issued should the company receive the bulk sampling permits by December 15, 2018. This transaction is currently continuing though due diligence and the Company expects to enter into a final agreement within the next month.
- The Company anticipates closing the fourth and final tranche of a non-brokered private placement financing on or before September 30, 2018. The first three tranches were closed during the current period and are summarized earlier in this report.

APPROVAL

The Audit Committee of the Board of Directors appointed by the Board and consisting of three independent directors, has reviewed this document pursuant to its mandate and charter. The Board of Directors of Saint Jean Carbon Inc. has approved the disclosure contained in the MD&A.

This MD&A is available on the Company's SEDAR site accessed through www.sedar.com

FORWARD LOOKING STATEMENTS

The MD&A contains certain forward-looking statements, except for historical information. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements expressed or implied by these forward-looking statements to vary.

Actual results could differ materially from those currently anticipated due to any number of factors, including such variables as new information regarding potential mineral reserves, changes in demand for and commodity prices of graphite, molybdenum or any other commodity, legislative, environmental and other regulatory approval or political changes.

OTHER REQUIREMENTS

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website www.saintjeancarbon.com.