



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

For the quarter ended July 31, 2021

This Management Discussion and Analysis (“MD&A”) was prepared as of September 29, 2021.

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, 2021 (the “Interim Financial Statements”). Consequently, the following discussion and analysis of the financial condition and results of operations of St. Jean should be read in conjunction with Interim Financial Statements.

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).

GOING CONCERN

These Interim Financial Statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than normal course of business and at amounts which may differ from those shown in the Interim Financial Statements.

As at July 31, 2021, the Company has incurred a loss from operations of \$1,206,134, has a working capital deficit of \$779,176, negative cash flow from operations of \$1,391,881 and an accumulated deficit of \$24,709,990. The Company’s ability to

continue as a going concern is contingent on its ability to obtain additional equity financing.

This condition, along with other matters as set forth in the above paragraph, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company decommissioned the Plant (defined below) on December 31, 2020 as the lease for the facility where the Plant was located expired and the Plant presently remains inactive. The equipment and components comprising the Plant were in storage while the Company search for a new location for the Plant. As a result, since December 31, 2020 and during the quarter-ended July 31, 2021, the Company has not been able to process carbon for its customers.

The outbreak of the Covid-19 pandemic has disrupted financial and operational mobility of companies all over the world. Notwithstanding the Plant being in storage, St. Jean is of the belief the sustained lockdown observed in the quarter-ended July 31, 2021 would have resulted in a lower level of project activity from its customers in any event. This would also be further exacerbated by the limited inter provincial and international mobility of personnel and logistics to develop mineral resources. This resulted in lower process development activity at St. Jean. Assuming St. Jean is able to located a new facility in which to locate the Plant, as we emerge out of pandemic lockdowns, St. Jean has observed a substantially higher level of project activity and interest in mineral processing.

On May 25, 2021, the Company closed a private placement for \$875,000.

DESCRIPTION OF BUSINESS

St. Jean is a junior resource company involved in the acquisition and exploration of property interests that are considered potential sites for future mining opportunities.

The Company owns a Plant that uses an air classifier to convert ore into high purity graphite. The Plant's predominant use is graphite process development and small batch runs of graphite purification. Continual work is being done on this process to further develop environmentally friendly methods of purifying graphite.

Within the last few years the Company has been focused on the development of end products that require uses of graphene and graphite. This includes lithium-ion batteries, novel DNA sensing methods and hyper/superconducting wire.

The Company continues to hold multiple historic molybdenum properties in British Columbia and a graphite property in Quebec.

Since 2013, the Company concentrated on the acquisition of lump graphite properties in the province of Quebec, however, the Company has determined that its future lies in developments in technology and with its offtake agreement with Ameca Ltd. for graphite in Sri Lanka. Therefore, most of the properties in Quebec were allowed to have their tenures expire.

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 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

St. Jean (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 (the “Red Bird Property”) which was earned as at May 31, 2008. The mineral tenures associated with the Red Bird Property remain in good standing.

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). The mineral tenures associated with the Mount Copeland Property remain in good standing.

In January of 2018, the Company commissioned a pilot plant at its Oakville facility (the “Plant”). The Plant has capability to separate carbon by means of small batch trials of ore. The Plant consists of primary and secondary crushing equipment, rotating drum, air classification, floatation and jet mill.

On July 19, 2018, the Company announced that it had acquired 100% ownership of the historical mining property known as the Lochaber claims located in South Western Quebec (the “Lochaber Property”) from Great Lake Graphite Inc. (“Great Lake”), 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 Great Lake; (ii) paid cash consideration of \$425,000 to Great Lake by way of offset of an accounts receivable owing by Great Lake; (iii) pay a 1.75% net operational operating cost royalty to Great Lake for 10 years (the “Royalty”); and (iv) has entered into an offtake agreement with Great Lake providing Great Lake 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.

During the [second quarter of the calendar year, an aeromagnetic survey was conducted using a line of sight drone on the Lochaber Property. As a result of the magnetic survey that was conducted, St. Jean has retained the property mineral rights to the Lochaber Property for another 24 months in a single contiguous block. The block consists of ten tenures (600.83 ha). The claims are registered with the Ministère de l'Énergie et Ressources Naturelles du Québec (MERN) to the Company. The ten tenures all expire on June 23, 2023. It is anticipated that the Company's air classification process may be used in the future development of the Lochaber Property.

To protect the safety of its engineering contractors during the COVID-19 pandemic, development of the air classification process has continued to progress in a virtual setting using computer simulation. When the equipment is recommissioned at a new location, process trials will focus on correlating the actual process starting with the parameters that were developed by analytical predictions. St. Jean remains highly confident that large and medium flake graphite fractions can be recovered to a high degree of purity using environmentally friendly processes such as air classification.

MINERAL 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.

The Company presently holds a 25% undivided interest in the Red Bird Property. The Red Bird Property represents an advanced molybdenum, copper and rhenium porphyry target. The Red Bird Property comprises 3 tenures for a total of 444.49 ha. All three of the tenures expire on June 30, 2026. There is no further work required to keep these tenures in good standing.

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, see 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.

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 tenures comprising a total of 730.127 hectares. The two tenures expire on October 16 and December 2, 2023. There is no further work required to keep these tenures in good standing.

Lochaber Property

The Lochaber Property is located in the Province of Quebec. The Property consists of ten tenures (600.83 ha). The tenures are registered with the Ministère de l'Énergie et Ressources Naturelles du Québec (MERN) to the Company. The ten tenures all expire on June 23, 2023. There is no future work required to keep these tenures in good standing. It is anticipated that the Company's air classification process may be used in the future development of the Lochaber Property.

High Rock Property

The Company retains its interest in the High Rock gold property in Manitoba.

CURRENT BUSINESS ACTIVITIES

Processing Plant

The Company's mining research and development facility consists of a processing mill which is capable of small batch ore processing trial. Continual enhancements have taken place to calibrate the unit to optimize throughput using computational fluid dynamics. This Plant will be used for the testing of graphite materials and to process mined material, determine its suitability for potential customers and manufacture battery anodes. No graphite was processed through the Plant this quarter as the equipment is currently being stored. Several potential customers have expressed an interest in the Company processing their material.

The main highlight of the Plant 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. This research has continued and is being used for a DNA biosensor.

On February 23, 2017, the Company announced that it has set the preliminary numbers for the graphene battery project announced on January 18th, 2017. This research is not going forward as a priority of the Company due the acquisition of the solid state battery technology from Sub Ultrabattery Inc. (“SUB”).

On April 20, 2017 St. Jean announced the results of the graphene battery project phase one of three, previously announced on January 19, 2017. The graphene battery project has been discontinued as a priority of the Company due to the acquisition of the solid state battery technology.

On June 14, 2017 the Company announced that it had completed a full cell graphene battery. This project has been discontinued as a priority of the Company due to the acquisition of the solid state battery technology from SUB.

On February 1, 2021, St. Jean signed a contract research agreement with the University of Western Ontario (“UWO”) to further develop advanced graphene-based products with special luminescent properties for a DNA biosensor. The continuation of this research is in the late stages of a multi-year effort with UWO to commercialize graphene based sensing products.

On May 13, 2021, St. Jean signed a sponsored research agreement with the University of Waterloo (“Waterloo”) to further develop a composite electrolyte for solid electrolyte batteries. It is expected that the outcome of this research will further St. Jean’s intellectual property portfolio focusing on state-of-the-art battery formulations. This initiative is complementary to its recent acquisition of SUB.

Summary

The Company has devoted resources to the startup and commission of its research and development facility to rapidly advance its attempt to commercialize solid state batteries. The collaborative research efforts with Waterloo and UWO is vital to the Company’s attempt to commercialize new innovative products through academic breakthroughs. The continuance of St. Jean’s working arrangements with universities is intended to enable the Company to expand its intellectual property portfolio.

As the Plant comes back online, the Company plans to focus on the enhancement of graphite materials which it anticipates can be used for the design and build of green energy storage such as lithium-ion batteries. Priority will be given to support refinement of the Sri Lankan graphite orebody in an attempt to realize the potential of the offtake agreement with Ameca Ltd. Assuming Ameca Ltd. is able bring the mineral resource into production, and St. Jean is able to successfully purify the graphite from that orebody, St. Jean expects the purified product will be desirable for use in electric cars, mass energy storage for home applications and consumer products.

The Company intends to continue to align with clean energy creation and energy storage companies around the world.

St. Jean plans to pursue sales and other revenue streams through offtake agreements, joint ventures, acquisitions, and material trade. If the Company's efforts to develop novel graphite purification processes are successful, the Company will be positioned well on the leading edge of technology and development in the carbon industry. Further collaboration and business with companies that require advanced materials will be the goal.

SELECTED QUARTERLY INFORMATION
(Eight Quarter history)

<i>Item</i>	<i>Qtr 3/21 Three Months Ended July 31, 2021</i>	<i>Qtr 2/21 Three Months Ended April 30, 2021</i>	<i>Qtr 1/21 Three Months Ended Jan 31, 2021</i>	<i>Qtr 4/20 Three Months Ended Oct 31, 2020</i>
<i>Cash & Cash Equivalents including short term investments</i>	407,486	270,697	55,882	29,441
<i>Mineral Exploration and evaluation assets</i>	854,869	854,869	839,582	839,582
<i>Working Capital (Deficiency)</i>	(779,176)	(1,530,112)	(1,543,676)	(1,785,849)
<i>Net Sales</i>	-	-	70,000	-
<i>Loss before extraordinary items</i>	(1,206,134)	(230,416)	(258,904)	(3,642,584)
<i>Loss after extraordinary items</i>	(1,206,134)	(230,416)	(258,904)	(3,642,584)
<i>Loss per share, basic</i>	(0.012)	(0.003)	(0.003)	(0.047)
<i>Loss per share, fully diluted</i>	(0.012)	(0.003)	(0.003)	(0.047)
<i>Total Assets</i>	3,191,270	1,599,691	1,354,707	1,369,526
<i>Total Long Term Financial Liabilities</i>	13,090	16,575	20,023	23,437

<i>Item</i>	<i>Qtr 3/20 Three Months Ended July 31, 2020</i>	<i>Qtr 2/20 Three Months Ended April 30, 2020</i>	<i>Qtr 1/20 Three Months Ended Jan 31, 2020</i>	<i>Qtr 4/19 Three Months Ended Oct 31, 2019</i>
<i>Cash & Cash Equivalents including short term investments</i>	17,734	1,372	(674)	7,723
<i>Mineral Exploration and evaluation assets</i>	3,908,430	3,908,430	3,907,664	3,907,664
<i>Working Capital</i>	(1,414,350)	(1,347,910)	(1,213,033)	(1,053,673)
<i>Net Sales</i>	-	817	48,783	85,205
<i>Loss before extraordinary items</i>	(102,236)	(169,856)	(146,751)	(145,785)
<i>Loss after extraordinary items</i>	(102,236)	(169,856)	(146,751)	(145,785)
<i>Loss per share, basic</i>	(0.001)	(0.002)	(0.002)	(0.002)
<i>Loss per share, fully diluted</i>	(0.001)	(0.002)	(0.002)	(0.002)
<i>Total Assets</i>	4,439,162	4,466,970	4,502,467	4,518,480
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

The tables are stated in Canadian dollars. The Interim 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

Revenue for the three-month period ended July 31, 2021 was \$nil compared to \$nil for the comparative period in 2020. Cost of goods sold for the three-month period ended July 31, 2021 was \$nil, compared to \$nil for the comparative period in 2020.

Revenue for the nine-month period ended July 31, 2021 was \$70,000 compared to \$49,599 for the comparative period in 2020. Cost of goods sold for the nine-month period ended July 31, 2021 was \$11,166 compared to \$10,000 for the comparative period in 2020.

Revenue for the Company recently consisted of graphite processing fees. However, no graphite was processed through the Plant during this quarter and the prior quarter as the equipment is currently being stored pending relocation to a new facility.

Expenses

Current quarter

Total expenses for the three-month period ended July 31, 2021 were \$706,216 compared to \$102,236 for the comparable period in 2020, an increase of \$606,980. The major components of the expenses were:

Stock-based compensation of \$387,850 due to stock options granted during the current period compared to \$nil for the comparable period in 2020.

Professional fees for the current quarter were higher by \$166,204 compared to the comparable period in 2020, due to higher consulting and legal fees. This category consisted of consulting fees, audit fees and legal fees. The increase in consulting fees vs. the comparative quarter is due to certain management contracts. One is with the investor relations consultant for fees of \$30,000 and the other with the project manager for fees of \$30,000. Fees of \$70,000 were also paid to a consultant to assist with securing funds to be able to close the deal to acquire the shares of SUB. Legal fees were higher due to legal costs incurred in order to defend against the lawsuit discussed below under the heading "Contingency", as well as increased legal costs for general corporate matters.

Management fees includes fees paid to a company controlled by an executive officer, accounting services, and consulting relating to research and development of the solid state battery. Management fees were higher during the current quarter vs. the comparative quarter by \$48,455 resulting primarily from an increase of \$5,000 per month in the amount paid to a company controlled by an executive officer, for a total increase of \$15,000 for the quarter, and the new contracts relating to the research and development of the solid state battery for fees of \$24,500.

Research expenses for the current quarter were comprised primarily of fees of \$32,500 for a new research contract with University of Waterloo compared to no research expenses incurred during the comparative quarter.

Rent recoveries during the current period were \$nil. Rent recoveries during the prior year include temporary contributions toward rent of \$20,357 received from an unrelated party that was occupying the Company's space. These contributions did not continue.

Year-to-date

Total expenses for the nine-month period ended July 31, 2021 were \$1,264,968 compared to \$458,443 for the comparable period, an increase of \$806,525. The major components of the expenses were:

Stock-based compensation of \$670,141 due to stock options granted during the current period compared to \$nil for the comparable period in 2020.

Professional fees for the current period were higher by \$290,464 compared to the comparable period in 2020. This category consisted of consulting fees, audit fees and legal fees. The increase in consulting fees is due to new management contracts, including the investor relations consultant fees of \$70,000 and the project manager for fees of \$86,000. Fees of \$70,000 were also paid to a consultant to assist with securing funds to be able to close the deal to acquire the shares of SUB. Legal fees were higher due to legal costs incurred in order to defend against the lawsuit discussed below under the heading "Contingency", as well as increased legal costs for general corporate matters.

Management fees includes fees paid to a company controlled by an executive officer, accounting services, and consulting relating to research and development of the solid state battery. Management fees were higher during the current period vs. the comparative period by \$72,092 resulting primarily from an increase of \$5,000 per month in the amount paid to a company controlled by an executive officer, for a total increase of \$20,000 for the year-to-date, and the new contracts relating to the research and development of the solid state battery for fees of \$24,500. Also accounting consulting fees were higher by \$21,621 due to increased business activity.

Rent recoveries include temporary contributions toward rent received from an unrelated party that was occupying the Company's space in the amount of \$967 during the current period compared to \$20,357 during the comparative period.

Plant operating expenses are lower by \$68,188. The lease for the property where the Plant ended as at December 31, 2020 and the Company chose to not renew the lease, seeking instead to secure a new facility, thereby reducing Plant operating expenses temporarily. The equipment is in storage pending relocation.

Research expenses for the period were comprised primarily of fees of \$32,500 for a new research contract with University of Waterloo and \$15,000 for a research contract

with University of Western Ontario compared to no research expenses incurred during the comparative period.

Bad debts during the current period consisted of \$30,974 compared to \$nil for the comparable period in 2020 due to the write off of an accounts receivable. The write-off arose because of the failure of a third party to complete their part of an agreement.

Other operations items

Gain on reversal of accrued liabilities relates to a recovery of \$100,000 due to the cancellation of a research contract with University of Waterloo from 2018 that did not materialize.

Gain on settlement of accounts payable relates to the write off of \$226,923 of geological consulting fees from prior years due to the renegotiation of these prior accounts payable.

During the prior two quarters, the Company incurred costs of \$36,257 regarding the acquisition of SUB and this amount is reflected on the cash flow statement as an outlay for acquisition of intangible asset. This outlay was previously reflected as acquisition of other assets pending completion of the transaction with SUB. These costs were related to the acquisition and as such are one-time expenses and will not reoccur.

During December 31, 2020, as mentioned above, the Company chose to not renew the lease where the Plant was located, and moved out of the premises. Therefore, the Company recorded a disposition of its leasehold improvements and various furniture, fixtures and office equipment resulting in a loss on disposal of assets of \$9,144. These disposals are reflected in Note 6 of the financial statements. Future costs are expected for the recommissioning of the Plant in a new facility, such as equipment hook-up. At this time the actual costs cannot be determined.

The Company had previously recorded the lease where the Plant was located as an asset under the rules for right-of-use assets. The asset was fully amortized at the end of the lease, resulting in a net book value of \$nil. As reflected in Note 8 of the financial statements, the Company recorded a disposition of the lease asset to clear these amounts from the books.

RECENT ACCOUNTING PRONOUNCEMENTS

At the date of authorization of the Interim Financial Statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended July 31, 2021. The following new or amended standards are effective for year-ends starting after January 1, 2022 and have not yet been adopted by the Company.

- (a) IAS 1 amendments concerning the classification of liabilities as current – Clarification that an entity classifies a liability as current when it does not

have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

- (b) IFRS 9 amendments concerning derecognition of a liability – fees included in the “10 per cent” test. Guidance on when a renegotiated liability should be accounted for as an extinguishment of the original liability and recognition of a new liability. In determining if the revised terms of the liability are substantially different the guidance includes consideration of the change in the value of discounted present value of cash flows referred to as the “10 per cent” test. In regard to the renegotiated liability the guidance refers to the cash flows under the new terms, including any fees paid net of any fees received. The amendments clarify that only fees paid or received between the borrower and the lender are to be considered.

The Company does not anticipate that adoption of the above standards will have significant financial reporting implications.

LIQUIDITY AND CAPITAL RESOURCES

At the end of this reporting quarter, St. Jean had a working capital deficiency of \$779,176 compared to \$1,785,849 as of October 31, 2020, an improvement of \$1,006,673. Cash at July 31, 2021 was \$407,486 compared to \$29,441 as at October 31, 2020.

The following funding was received during the reporting period.

Issuance of shares due to private placement:

- On May 21, 2021, the Company closed on a private placement for 7,000,000 units at a price of \$0.125 per unit for gross proceeds of \$875,000. Each unit consisted of one common share and one-half warrant. In connection with the private placement, \$43,440 of share issue costs were incurred.

Issuance of shares and exercise of warrants:

- On May 5, 2021 the Company issued 200,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$15,000.
- On May 21, 2021 the Company issued 1,600,000 common shares in the capital of the Company due to exercise of options at an exercise price of \$0.05 per share for gross proceeds of \$80,000.
- On June 11, 2021, the Company issued 1,400,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$105,000.

- On July 9, 2021 the Company issued 100,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$7,500.
- On July 12, 2021 the Company issued 750,000 common shares in the capital of the Company due to exercise of options at an exercise price of \$0.05 per share for gross proceeds of \$37,500.
- On July 16, 2021 the Company issued 50,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$3,750.

Stock options:

A total of 2,350,000 stock options were exercised during the period as detailed above.

On July 26, 2021, the Company issued 2,350,000 options to directors, officers and consultants of the Company with an exercise price of \$0.05. The options expire on July 26, 2026.

As at July 31, 2021, there were 7,300,000 options outstanding with a weighted average exercise price of \$0.08. The options expire on December 14, 2025 and July 26, 2026.

St. Jean 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.

As at July 31, 2021, the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for October 31, 2020 are shown in the table below:

	July 31, 2021		October 31, 2020	
	Fair value	Carrying value	Fair value	Carrying value
<i>Financial assets</i>				
Cash	407,356	407,356	29,441	29,441
Accounts receivable (1)	-	-	-	-
<i>Financial liabilities</i>				
Accounts payable and accrued liabilities	796,210	796,210	1,544,327	1,544,327
Notes payable	438,389	438,389	139,521	139,521
Interest payable	20,037	20,037	1,734	1,734
Other liabilities	85,000	85,000	147,500	147,500

(1) Excluding taxes receivable

In a prior year, Canada Revenue Agency ("CRA") commenced an audit of the Company's tax filings related to flow-through shares. In the prior year, CRA accepted, in part, the Company's original filing. The Company recorded a provision of \$85,000 during the prior year related to the obligation to CRA and possible compensation to investors.

The following table summarizes the contractual maturities of the Company's financial liabilities at July 31, 2021:

	Contractual cash flows	Less than one year
Accounts payable and accrued liabilities	\$ 796,210	\$ 796,210
Notes payable	438,389	438,389
Interest payable	20,037	20,037
Other liabilities	85,000	85,000
	<u>\$ 1,317,743</u>	<u>\$ 1,317,743</u>

The Company is committed to lease payments as follows:

2021	\$ 3,645
2022	14,579
2023	9,719
	<u>\$ 27,943</u>

CONTINGENCY

The Company has been named as a defendant in a statement of claim filed on January 5, 2021 in the Province of Ontario. The plaintiff is seeking \$814,820 for unpaid compensation, and \$1,000,000 for wrongful termination and damages. The Interim Financial Statements include a provision for unpaid compensation of \$241,820. Management has filed a statement of defense and counterclaim. The counterclaim against the plaintiff and other non-arm's length parties seeks damages up to \$3 million, plus further amounts which will be particularized prior to trial. The next step is to undertake the exchange of affidavit documents and schedule examinations for discovery. As the outcome of this lawsuit and any liability to the Company cannot be reasonably determined at this time, no additional provisions have been made in the Interim Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's capitalized exploration and development costs and general and administrative expenses is provided in the Interim Financial Statements which are available on SEDAR.

SHARES ISSUED AND OUTSTANDING

ISSUED SHARE CAPITAL

Statement of Changes in Shareholders' Equity, Common Shares

	July 31, 2021	
	Number of shares	Share Capital
Beginning balance	83,797,532	\$21,190,744
Shares issued for non-cash items	115,000	5,750
Share issuance costs	-	(43,440)
Private placement	10,500,000	997,500
Issued for acquisition of subsidiary	22,000,000	1,320,000
Option exercise	2,350,000	117,500
Warrant exercise	7,831,250	471,562
Balance	<u>126,593,782</u>	<u>\$24,059,616</u>

	October 31, 2020	
	Number of shares	Share Capital
Beginning balance	75,892,532	\$21,011,573
Private placements	7,905,000	197,625
Share issuance costs	-	(18,454)
Balance	<u>83,797,532</u>	<u>\$21,190,744</u>

On May 5, 2021 the Company issued 200,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$15,000.

On May 21, 2021 the Company issued 1,600,000 common shares in the capital of the Company due to exercise of options at an exercise price of \$0.05 per share for gross proceeds of \$80,000.

On May 21, 2021, the Company closed on a private placement for 7,000,000 units at a price of \$0.125 per unit for gross proceeds of \$875,000. Each unit consisted of one common share and one-half warrant. In connection with the private placement, \$45,000 of share issue costs were incurred.

On June 11, 2021, the Company issued 1,400,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$105,000.

On July 9, 2021 the Company issued 100,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$7,500.

On July 12, 2021 the Company issued 750,000 common shares in the capital of the Company due to exercise of options at an exercise price of \$0.05 per share for gross proceeds of \$37,500.

On July 16, 2021 the Company issued 50,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$3,750.

Subsequent to the end of the period, on August 9, 2021 the Company issued 1,000,000 common shares in the capital of the Company due to exercise of options at an exercise price of \$0.05 per share for gross proceeds of \$50,000.

Subsequent to the end of the period, on August 11, 2021 the Company granted 1,280,000 common share stock options to directors, officers and consultants of the Company with an exercise price of \$0.16. The options expire on August 11, 2026.

Subsequent to the end of the period, on September 9, 2021, 2021 the Company issued 300,000 common shares in the capital of the Company due to exercise of warrants at an exercise price of \$0.075 per share for gross proceeds of \$22,500.

As of September 29, 2021, the date of this MD&A, the Company has the following common shares, stock option and warrants outstanding:

Common shares	127,893,782
Options	7,580,000
Share purchase warrants	14,098,750

OPTIONS

	Number of options	Weighted Average Exercise Price
Balance, November 1, 2020	260,000	\$0.20
Granted	9,650,000	\$0.07
Expired	(260,000)	\$0.20
Exercised	(2,350,000)	\$0.05
Balance July 31, 2021	7,300,000	\$0.08

Options Granted

A summary of outstanding options as at July 31, 2021 is as follows:

<u>Number of Shares Under Option</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
4,950,000	\$0.05	December 14, 2025
<u>2,350,000</u>	\$0.15	July 26, 2026
<u>7,300,000</u>		

WARRANTS

A summary of outstanding warrants as at July 31, 2021 and October 31, 2020 is as follows:

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>
Balance, October 31, 2019	16,850,750	\$0.14
Granted	7,905,000	\$0.05
Expired	-	-
Exercised	-	-
Balance October 31, 2020	24,755,750	\$0.11
Granted	3,500,000	\$0.25
Expired	(6,025,750)	\$0.21
Exercised	(7,831,250)	\$0.06
Balance July 31, 2021	14,398,750	\$0.13

A summary of outstanding warrants as at July 31, 2021 is as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	\$0.075	July 18, 2021
1,898,750	\$0.05	April 18, 2022
1,637,500	\$0.22	May 17, 2022
1,125,000	\$0.22	May 29, 2022
285,000	\$0.05	June 10, 2022
5,652,500	\$0.05	October 9, 2023
<u>3,500,000</u>	<u>\$0.25</u>	<u>May 21, 2023</u>
<u>14,398,750</u>		

RELATED PARTY TRANSACTIONS

Transactions between the Company and related parties during the three and nine months ended July 31, 2021 consisted of the following:

Dr. Zhongwei Chen is a director of St. Jean and a director of Granano Tech Inc., which provides the services of Dr. Chen to the lead research and development of the solid

state battery from prototype to commercialization. An arm's-length agreement was signed with Dr. Chen prior to his appointment to the board of St. Jean. Dr. Chen is uniquely qualified to provide this service as he is the originator of the intellectual property of Solid Ultrabattery Inc. During the three and nine months ended July 31, 2021 the Company incurred fees of \$20,000 (2020 - \$nil) as a result of this contract.

V-Bond Lee is a director and officer of St. Jean and a director of Premium Mobility Inc., a company that provides specialized technical services to execute the development of the solid state battery. During the three and nine months ended July 31, 2021 the Company incurred fees of \$4,500 (2020 - \$nil) as a result of this contract. This service was provided on no less favorable terms than an arm's length party would have provided.

These transactions occurred during the normal course of operations and are measured at the amount of consideration agreed to by the parties.

RELATED PARTY LOANS

The Company currently has unsecured promissory notes payable to William Pfaffenberger, a senior officer and director of the Company, due upon demand, bearing interest at 10% per annum in the amount of \$nil (\$13,000 – October 31, 2020).

The Company currently has unsecured promissory notes payable to William Pfaffenberger, a senior officer and director of the Company, due between December 1, 2021 and March 25, 2022, bearing interest at 12% per annum in the total amount of \$220,000 (\$nil – October 31, 2020).

The amount of \$11,496 owing to William Pfaffenberger, a senior officer and director of the Company, for interest payable on the above loans is included in interest payable.

These loans are at market rates and are measured at the amount of consideration agreed to by the parties. These loans were provided to the Company on no less favorable terms than an arm's length party would have provided.

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, energy storage, and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

While the current trend appears to be favorable for an economic recovery as COVID lockdowns are lifted, St. Jean will ensure appropriate levels of oversight is exercised in the commissioning of its R&D facility.

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 St. Jean 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

This MD&A contains forward-looking statements concerning the Company's business and affairs. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "intends" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

These forward-looking statements are based on current expectations, and are naturally subject to uncertainty and changes in circumstances that may cause actual results to differ materially 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. Although the Company believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that these expectations will prove to be correct. Such statements include statements with respect to: (i) the Company's anticipation that it will be able to utilize the air classifier in the future development of the Lochaber Property; (ii) the implicit assumption that the Lochaber Property will be developed in the future; (iii) the expectation that the Plant and mill will be able to create a variety of sizing and shaping without waste; (iv) the expectation that the research with Waterloo to further develop a composite electrolyte for solid electrolyte batteries which is intended further the Company's intellectual property portfolio focusing on state of the art battery formulations; (v) the plan for the Company to focus on the enhancement of graphite minerals which it anticipates can be used for the design and build of green energy storage; (vi) the assumption that the Ameca Ltd. mineral resource will be brought into production and Company's attempt to realize the potential of the same through its offtake agreement; (vii) St. Jean's expectation that it will be able to purify the ore from the Ameca Ltd. mineral resource; (viii) St. Jean's expectation that the purified ore will be desirable for use in consumer products like electric cars and mass energy storage; (ix) the plan for the Company to continue to align with clean energy creation and energy storage companies around the world; (x) the intention that the Company will continue to pursue sales and other revenue streams through offtake agreements, joint ventures, acquisitions, and material trade;

(xi) the plan for further collaboration and business with companies that require advanced materials; (xii) management's anticipation that the Company will not generate significant revenue from its activities during the next few months; (xiii) the expectation that the Company will rely on its ability to obtain equity financing for operations; and (xiv) management's anticipation that the Company will be able to raise sufficient capital to further explore and develop its properties and carry out its projects in the future. Statements of past performance should not be construed as an indication of future performance. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors, including those discussed above, could cause actual results to differ materially from the results discussed in the forward-looking statements. Any such forward-looking statements are expressly qualified in their entirety by this cautionary statement.

All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. Readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking information is provided as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required under applicable securities legislation.