MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2015
EXPRESSED IN CANADIAN DOLLARS
DATED : SEPTEMBER 29, 2015

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Great lakes Graphite Inc. ("Great Lakes", or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended July 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended October 31, 2014 as well as the unaudited interim financial statements for the three and nine months ended July 31, 2015, together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. Information contained herein is presented as at September 30, 2015 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

OVERVIEW

Great Lakes Graphite Inc. is an industrial minerals company focused on bringing carbon products to a well-defined market through a vertically integrated supply chain.

As there is currently no significant graphite production in North America, Great Lakes Graphite has the ability to become one of the first domestic suppliers to a growing regional customer base that requires high quality natural graphite, where pricing and demand continue to rise. The Company, through strategic acquisitions and capable management intends to become a leader in the industrial minerals marketplace.

The Company through its Innovations Division is currently recommissioning an Ontario based Micronization Facility for re-start in late 2015 to achieve the following objectives:

- Establish a position in the upgraded graphite products market with North American customers.
- Create a competitive and disruptive advantage by leveraging existing assets.
- Pursue an accelerated timeline to cash flow and revenue by micronizing and upgrading flake graphite, enabled by supply agreements with current graphite producers.

Other Corporate Activities

On January 19th, 2015 the Company announced that it is now listed for trading on the Frankfurt Stock Exchange, under the symbol "8GL". The Frankfurt Exchange is considered to be the world's third largest stock exchange, after the NASDAQ and the NYSE.

OVERALL PERFORMANCE

Great Lakes Resource Calculation

The Company announced the completion of its inaugural Mineral Resource Estimate for its 100% owned Lochaber Graphite Project near Buckingham, Québec. On June 17th 2015

SRK Consulting (Canada) Inc ("SRK") was hired by the Company to prepare the mineral resource estimate. GLK believes this study concludes the first step in firmly establishing the viability of the deposit and management is now working with SRK, the Québec Government and the landowners to advance the project.

The Company reported an Inferred Resource of 4,091,000 tonnes at 4.01% Cg using a cut-off grade of 2.45% Cg.

The Company believes that the work completed by SRK demonstrates that the Lochaber deposit is consistent with the Company's model, which calls for a quarry style, shallow pit mining operation using a modular, scalable plant processing mineralized feedstock to produce a graphite concentrate. Permitting for low tonnage, quarry style operations is a less complex process than what is required for a full mining permit, due to the small environmental footprint and impact.

Table 1: Mineral Resource Statement*, Lochaber Graphitic Carbon Project, Québec, SRK Consulting (Canada) Inc., June 3 2015.

Resource Category	**Quantity ('000 t)**	**Grade Graphitic C%**	**Contained Graphitic C ('000 t)**	**(Millions lbs)**
Inferred **	4,090	4.01	160	362

* Mineral resources are not mineral reserves and have not demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve. All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.

** Open pit mineral resources are reported at a cut-off grade of 2.45 percent graphitic carbon within a conceptual pit shell.

The mineral resource estimate was prepared by Sébastien Bernier, PGeo of SRK — an independent Qualified Person under National Instrument 43-101 (“NI 43-101”), using the most current Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Standards on Mineral Resources and Reserves, Definitions and Guidelines.

Matheson Micronization Facility Use Agreement

Pursuant to the agreement in principle announced on February 26th, 2015 between Great Lakes and Northfil Resources Limited (“Northfil”), the parties have since successfully concluded the negotiation process on March 12, 2015 and entered into a Facilities Use Agreement for the Matheson Micronization Facility. The agreement specifies an initial five year term, with an option to extend the agreement for an additional five years.

The Matheson facility contains all of the equipment required to micronize flake graphite and is capable of producing well in excess of 10,000 tonnes of finished product annually. The facility is located in Matheson, Ontario, 70 km east of Timmins and features city water, natural gas, ample electrical capacity, a rail siding, and easy highway access.

DNI Metals Off-Take Arrangement

On March 23, 2015, the Company entered into a 5 year supply agreement with DNI Metals Inc. for the procurement of natural flake graphite concentrate.

Under the terms of the agreement, GLK will have the ability to purchase up to 34,000 tonnes of material from DNI, which will be sent to the Matheson Micronization Facility for the production of micronized flake graphite.

PRO Partnership

The Company announced on June 12, 2015 it has formed a technology partnership with Process Research ORTECH of Mississauga, Ontario to commercialize its graphite purification process. PRO recently filed a Notice of Invention to protect the intellectual property that underpins the proprietary process of purifying flake graphite to 99.9%. The partnership agreement calls for Great Lakes Graphite and PRO to complete development work on the purification process, with a view towards high technology commercial applications.

The main objective of the partnership is to develop a purification process to achieve a graphite product of +99% purity. The proposed development program will consist of the following:

A. Chemical analysis and determination of impurities present

B. Physical beneficiation tests involving a combination of flotation and comminution to remove any gangue material adhered to the graphite flake and produce a high grade graphite concentrate.

C. Chemical leaching with PRO’s proprietary purification process to remove residual metal and oxide impurities to produce a high purity (+99%) graphite product.

D. Chemical analysis and particle size analysis at selected points in the purification program

Beneficiation of graphite concentrate to a 99%-plus purity level is a requirement for use in lithium-ion batteries and for other high technology applications. For example, semiconductor technology demands constant innovation and ultra-high-purity materials from suppliers. Products made from high-purity fine-grain graphite meet these requirements. Development of materials for wafer production processes and coatings enhance the purity of the next semiconductor generation, while extending the service life of materials at the same time.

Process Research ORTECH Inc was formed in January 1999 to take over the Process Technologies division of ORTECH Corporation (Formerly Ontario Research Foundation) under the privatization scheme of the Ontario Government. The mandate of this company is to continue the research and development work carried on by this division of ORTECH Corporation for the past 70 years, and to explore innovative solutions in this area to better serve the needs of Canadian industries as well as international companies.

Personnel Changes

On June 9th, Mike Coscia was appointed Senior Vice President of Sales and President of Great Lakes Graphite's Innovations ("**GLK Innovations**" or "**GLKI**") operating division.

Mike has over 30 years' experience in the chemicals and minerals industries. He brings extensive experience in sales, marketing, technology and product development to his work at Great Lakes Graphite. Prior to coming on board, Mike held the position of Senior Vice President of Sales and Marketing for Ontario Graphite, Sales Director at SGL Carbon, Senior Account Manager for Cabot Corporation and Vice President of Sales for Bayer Chemical.

Mike has extensive knowledge of the graphite industry and his primary responsibility will be to introduce GLK Innovations and graphite products to the marketplace. His background in chemical engineering and material science provides him the ability to work closely with customers on technical issues relating to their graphite requirements.

Mike holds BS and MS degrees in Chemical Engineering from Northeastern University.

Also on June 9th, 2015 the Company announced that Mr. Brad Barnett who joined the GLK Board of Directors pursuant to the acquisition of the Lochaber Graphite property from Rock Tech Lithium has resigned from the Board of Directors, to pursue other interests.

On June 1, 2015, the Company announced the appointment of Robert Suttie as Chief Financial Officer and Jo-Anne Archibald as Corporate Secretary of the corporation.

Mr. Suttie brings with him 20 years' experience in financial services, including twelve years in public accounting, specializing in management advisory, accounting, and financial disclosure. His public company experience includes financial reporting and advisory services, initial public offerings, business combinations and spin-out transactions. Robert has served as Chief Financial Officer to a number of companies listed on the TSX and TSX Venture exchanges, and is currently the Vice President of Marrelli Support Services Inc.

Jo-Anne Archibald, has over thirty years of corporate secretarial, investor relations and marketing experience and is currently the President of DSA Corporate Services Inc. a leading Canadian provider of corporate secretarial services for reporting issuers.

On March 16, 2015, the Company announced that Jerry Janik has been appointed as Chief Operating Officer of the Great Lakes Innovations ("GLK Innovations" or "GLKI") operating division. In that position, Mr. Janik's initial focus and area of primary responsibility will be the refurbishment, recommissioning and operation of the Matheson Micronization Facility.

Jerry has worked in the mining industry for over twenty-five years. He brings a wealth of experience to the Company, in areas and disciplines that are critical to ensure the successful transition to commercial operations. These include:

- Quality Control
- Mine Planning and Tailings Deposition
- Production
- Project Management
- Process Improvement
- Permitting
- New Product Development

Prior to joining GLKI, Jerry held positions as Vice President of Operations and General Manager, Mining with Ontario Graphite, Area Operations Manager for Carmeuse Industrial Sand in Texas and Plant Manager with UNIMIN Canada Ltd.'s Nepheline Syenite Operations.

<u>Exploration Activities</u>

The company announced on January 22, 2015, the completion of its winter drill program at the Lochaber Graphite Project, located close to strong infrastructure in SW Québec.

The drill program, which commenced in early December, was been completed on schedule and on budget. Final demobilization of field crews is currently underway. Eight drill holes were completed for a total of 1,200 metres. The information collected from this program will be used to verify data from past drilling programs and it will also be used for the NI 43-101 Resource Calculation currently being compiled by SRK Consulting on the Company's 100% owned Lochaber Graphite Deposit.

<u>Financing and Corporate</u>

<u>Private Placement and Financings</u>

The Company entered into an agreement with F2 Capital of Lincoln, Massachusetts on June 25th to provide project funding for the recommissioning of the Matheson Graphite Micronization Facility. The financing has been structured as a debenture that provides the Company with debt financing of $750,000.

Terms of the Note with F2 Capital are: an interest rate of 8.5% per annum; a 4% Gross Overriding Royalty on the first 30,000 tonnes produced from the micronization plant; the option of either the Company or the lender to convert the principal amount under the Note into common shares of GLK at a conversion price of $0.10. In addition, the lender has also been issued 1,875,000 warrants, with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of four years. The financing closed July 25, 2015.

<u>Private Placement and Financings</u>

On April 10, 2015, the Company closed its non-brokered private placement, by issuing 6,689,255 units (the "Units") at a price of $0.05 per unit and 7,700,000 flow-through eligible units (the "Flow-Through Units") at a price of $0.05 per unit for gross proceeds of $719,462.75.

Each Unit in the Offering consists of one common share of the Company and one common share-purchase warrant .Each Warrant will entitle the holder to purchase one additional common share of the Company at a price of $CDN 0.10 for a period of twenty-four (24) months after the closing of the Offering. Each Flow-Through Unit in the Offering consists of one flow-through eligible common share of Great Lakes and one common share-purchase warrant. Each FT Warrant will entitle the holder to purchase one additional Great Lakes common share at a price of $CDN 0.10 for a period of twenty-four (24) months after the closing of the Offering.

Finder's fees totaling $36,600 were paid and 732,000 finder's warrants exercisable at $0.10 for a period of twenty-four (24) months were issued as part of the closing of the financing.

EXPLORATION PROPERTIES AND JOINT VENTURE AGREEMENTS

Buckingham Property

The Company has an option to earn a 100% interest in thirty-one (31) unpatented mining claims covering a total of 1,552.73 ha in two separate properties or claim blocks (identified as "Diamond" and "Diamond West") near Ottawa in Buckingham Township in the Outaouais area of western Québec.

These claims are prospective for graphite mineralization. The region offers excellent access and infrastructure. The properties are located within the quartzite domain of the Central Metasedimentary Belt of the Grenville Structural Province of the Canadian Shield. Aluminosilicate gneiss and porphyroblastic marble lithologies within this domain are the main hosts to (flake) graphite mineralization. Pastproducing graphite mines in the area date back to the late 19th Century and early 20th Century. Of particular importance is the proximity of the former Diamond or Peerless Mine to the area of the properties.

Mapping of the property areas has been carried out by federal and provincial government agencies. No significant exploration work is known to have been carried out over the properties in almost 100 years.

The Company initiated its exploration work with a heliborne geophysical survey that included magnetic, spectrometric and time-domain electromagnetic components. The results of this surveying have provided valuable geological mapping information (from magnetics) and electromagnetic and spectrometric anomalies worthy of follow-up. Recommendations for this follow-up program are made and a budget of approximately $250,000 is projected for this work.

On May 14, 2012, the Company entered into an agreement to acquire a 100% interest in 22 mining claims in Buckingham Township in south-western Quebec. The 100% earn-in requires the Company to make the following payments and issue the following number of common shares and incur exploration expenditures, as follows:

Due Date	Cash Payment	Shares	Exploration Expenditures
On or before May 14, 2012	$ 7,000 (fulfilled)	-	$ -
On closing, July 3, 2012	15,000 (fulfilled)	400,000 (fulfilled)	-
July 3, 2013	25,000 (fulfilled)	400,000 (fulfilled)	40,000 (fulfilled)
July 3, 2014	45,000	400,000	75,000 (fulfilled)
July 3, 2015	50,000	400,000	120,000
	$ 142,000	1,600,000	$ 235,000

The property vendor will retain a 2% NSR, 1% of which may be purchased by the Company for $1,000,000. On September 4, 2012, the Company entered into an agreement to acquire a 100% interest in 16 additional claims at the Buckingham Property located in Buckingham Township in south-western Quebec.

The 100% earn-in requires the Company to make the following payments and issue the following number of common shares of the Company to the property vendors:

Due Date	Cash Payment	Shares	Exploration Expenditures
On or before September 4, 2012	$ 3,000 (fulfilled)	-	$ -
On closing, September 11, 2012	-	200,000 (fulfilled)	-
September 11, 2013	6,000 (fulfilled)	100,000 (fulfilled)	18,000 (fulfilled)
September 11, 2014	8,000	100,000	24,000 (fulfilled)
September 11, 2015	10,000	100,000	30,000 (fulfilled)
	$ 27,000	500,000	$ 72,000

In July 2014, the Company decided not to continue exploration and terminated the option agreements relevant to the Buckingham property and therefore the capitalized costs of $389,360 were written-off to the statement of comprehensive loss during the period.

Lochaber Graphite Property

On March 3, 2014, the Company executed a definitive purchase agreement with Rock Tech Lithium Inc. (“Rock Tech”; TSXV:RCK) to acquire the Lochaber graphite deposit (the “Lochaber Graphite Property”), located in the prolific Buckingham Graphite region in Outaouais/ Gatineau, Québec.

The Lochaber Graphite Property was comprised of 151 mineral claims, in four contiguous blocks, covering 9,062 hectares in Buckingham and Lochaber Townships. Two of the Rock Tech claim blocks are contiguous with the Company’s existing claims in the area, namely those in the Diamond and the Bell claim blocks.

The purchase agreement between the companies provides for the Company to pay Rock Tech a total of $300,000 in cash and issue a total of 15,000,000 common shares of the Company to Rock Tech or to whom it may direct at a agreed price per share of $0.09. Accordingly, the aggregate transaction value amounts to $1,650,000.

The foregoing payments are to be made as follows: $100,000 (paid) and 5,000,000 (issued) common shares upon execution of the agreement, a further $200,000 and 5,000,000 common shares upon the completion of a NI 43-101 resource estimate of the deposit, and a final payment of 5,000,000 common shares upon completion of a Preliminary Economic Assessment.

A success fee of $10,000 cash (paid) and 400,000 common shares (to be issued) with a fair value of $34,000 were paid or are committed to be paid pursuant to the Rock Tech property acquisition.

Rock Tech appointed one nominee to the Board of Directors of the Company as per the terms of the Purchase Agreement.

Summit-Gaber Property

On July 28, 2015, the Company announced its intention to relinquish the option agreement with Eloro Resources for the Summit-Gaber property. In order to address the obligations under the agreement and to leave the joint venture property in good standing, the Company has made a proposal to the Eloro to leave the Joint Venture property in good standing and to settle a debt of $28,912 for services rendered to the Company in exchange for the issuance of common shares in the capital of the Company ('Common Share') at a price of $0.107 per Common Share (for an aggregate issuance of 270,000 Common Shares). This transaction is subject to TSX approval. Accordingly, the carrying value of this property has been written down by $487,354 to $Nil as of July 31, 2015.

RESULTS OF OPERATIONS

As the Company is in the exploration phase and its properties are in the early stages of exploration, none of the Company's properties are in production. Therefore, the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interest, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations.

Additional financing is required for both current and new exploration initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

Exploration Operations

Nine Months Ended July 31, 2015

	Balance, beginning of period	Acquisition	Exploration	Recoveries of tax credits and credit on duties	Impairment	Balance, end of period
Quebec						
Summit-Gaber	$ 487,354	$ -	$ -	$ -	$ (487,354)	$ -
Buckingham	-	-	-	-		-
Lochaber	673,996	750,000	974,921	-		2,398,917
	$ 1,161,350	$ 750,000	$ 974,921	$ -	$ (487,354)	$ 2,398,917

Year ended October 31, 2014

		Balance, beginning of year		Acquisition		Exploration		Recoveries of tax credits and credit on duties		Impairment		Balance, End of year
Quebec												
Summit-Gaber	$	469,354	$	18,000	$	-	$	-	$	-	$	487,354
Buckingham		277,242		2,000		78,411		-		(357,653)		-
Lochaber		196,662		536,000		402,355		(112,590)		-		673,996
	$	943,258	$	556,000	$	480,766	$	(112,590)	$	(389,360)	$	1,161,350

Acquisition Costs

Acquisition costs incurred by the Company with respect to its mineral properties are capitalized. Acquisition costs of $750,000 (year ended October 31, 2014- $556,000) were incurred during nine months ended July 31, 2015. The accumulated acquisition costs include option payments on mineral claims in regards to the Summit-Gaber, Buckingham and Lochaber mineral properties located in Quebec.

Exploration Expenditures

Exploration costs incurred by the Company's are capitalized. Exploration expenditures for the nine months ended July 31, 2015 totaled $974,921 (year ended October 31, 2014- $480,766).

Results from exploration work are contained in press releases found on SEDAR at www.sedar.com as well as on the Company's website at www.greatlakesgraphite.com.

SUMMARY OF QUARTERLY RESULTS

Quarterly Financial Information (unaudited)

		2015 Q3		2015 Q2		2015 Q1		2014 Q4
Interest Income	$	-	$	-	$	-	$	-
Net loss	$	1,238,406	$	176,549	$	332,474	$	865,242
Net loss per share (basic)	$	0.01	$	0.002	$	0.005	$	0.018

		2014 Q3		2014 Q2		2014 Q1		2013 Q4
Interest Income	$	-	$	-	$	-	$	1,165
Net loss (income)	$	593,478	$	198,225	$	76,079	$	287,814
Net loss per share (basic)	$	0.014	$	0.005	$	0.002	$	0.010

Nine Months Ended July 31, 2015 vs Nine Months Ended July 31, 2014

The Company incurred a net loss of $1,747,439 for the nine months ended July 31, 2015, compared with $867,782 for the comparative nine months ended July 31, 2014. The comparative increase is driven by an increase in technical management, corporate compliance, and general administrative staff as the Company works to move its projects forward. Additionally, the Company saw an increase in its shareholder information expense category as it began the process of raising its profile within capital markets through utilization of online investor and shareholder portals.

In the third quarter of fiscal 2015 the Company issued 2,000,000 common shares, ascribed a fair value of $180,000, and issued cash payments of $60,000 under the terms of accordance severance agreements for Paul Ankcorn, the Company's former Chief Financial Officer, and John Siriunas, the Company's former Vice President – Exploration, representing $240,000 in severance payments as the Company transitioned to a new management team. There were no severance payments in the comparative nine months ended July 31, 2015.

On July 28, 2015, the Company announced its intention to relinquish the option agreement with Eloro Resources for the Summit-Gaber property. In order to address the obligations under the agreement and to leave the joint venture property in good standing, the Company has made a proposal to the Eloro to leave the Joint Venture property in good standing and to settle a debt of $28,912 for services rendered to the Company in exchange for the issuance of common shares in the capital of the Company ('Common Share') at a price of $0.107 per Common Share (for an aggregate issuance of 270,000 Common Shares). This transaction is subject to TSX approval. Accordingly, the carrying value of this property has been written down by $487,354 to $Nil as of July 31, 2015. There was no such impairment charge during the comparative nine months ended July 31, 2014.

Three Months Ended July 31, 2015 vs Three Months Ended July 31, 2014

The Company incurred a net loss of $1,238,406 for the three months ended July 31, 2015, compared with $593,478 for the comparative three months ended July 31, 2014. Additionally, the Company saw an increase in its shareholder information expense category as it began the process of raising its profile within capital markets. The primary drivers for the comparative increase in net loss are attributable to third quarter severance payments made and impairment charges taken, as described in the above nine month narrative. Additionally, the Company completed a number of strategic staffing and management changes and additions during the quarter, resulting in comparatively higher consulting and management fee costs incurred.

The Company is a junior exploration company with no revenue generating properties. Currently the Company's funding continues to be derived from issuing securities.

For further quarterly financial information, please refer to the Company's unaudited interim financial statements and management's discussion and analysis that have been filed on SEDAR at www.sedar.com.

Significant Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited financial statements the year ended October 31, 2014. Please refer to these financial statements on SEDAR.

Adoption of new Accounting Pronouncements

The following standards were adopted during the nine months ended July 31, 2015:

IAS 32 Financial Instruments: Presentation provides clarification on the application of offsetting rules. The Company adopted this standard on November 1, 2014, with no impact on the Company's condensed interim financial statements.

On May 29, 2014, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The Company adopted this standard on November 1, 2014, with no impact on the Company's condensed interim financial statements.

Future Accounting Changes

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's condensed interim financial statements.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and in its final form in June 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018. The Company intends to adopt the standard on its effective date.

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

LIQUIDITY AND CAPITAL RESOURCES

As of July 31, 2015, the Company had $191,479 in restricted cash compared to $32,755 as of October 31, 2014. This increase is directly related to funds raised during the period net of funds expended as part of administering the Company's current exploration program and paying for corporate administration. The cash is classified as restricted as the Company is committed to spend $178,256 (October 31, 2014 - $344.383), being the remaining proceeds of flow-through share issuances from private placements.

The Company had working capital of $83,274 as of July 31, 2015 as compared to working capital of $243,742 as of October 31, 2014.

The Company has no significant revenues and no expectation of significant revenues in the near term. In order to manage this risk the Company monitors its cash requirements and expenditures to maintain sufficient liquidity.

Liabilities at July 31, 2015 consist of short-term trade payables, QST payable and various accrued liabilities of $543,220 (October 31, 2014 - $161,793).

On June 25, 2015, the Company entered into an agreement with F2 Capital of Lincoln, Massachusetts to provide project funding for the recommissioning of the Matheson Graphite Micronization Facility. The financing has been structured as a debenture (the "Note") that provides the Company with debt financing of $750,000.

The terms of the Note with F2 Capital are: an interest rate of 8.5% per annum, for a term of four years; a 4% Gross Overriding Royalty on the first 30,000 tonnes produced from the micronization plant; the option of either the Company or the lender to convert the principal amount under the Note into common shares of GLK at a conversion price of $0.10. In addition, the lender has also been issued 1,875,000 warrants, with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of four years.

As the debenture was considered to be a compound financial instrument, the liability component and the equity components (the conversion right) were presented separately, as determined at July 2, 2015 (date of issue), using the residual method. The liability component of $351,708 was determined by discounting the future stream of interest and principal repayments at the prevailing market rate of 20% for a comparable liability that does not have an associated equity component. The balance of $248,749 was allocated to the conversion option and is included in shareholders' equity in the Company's consolidated statement of financial position.

The debenture was being accreted to its face value at maturity over the term of the debt, plus accrued and unpaid interest by way of a charge to interest expense. The actual interest recorded for the three and nine months ended July 31, 2015 is $5,065. The accretion attributed to the convertible debenture for the three and nine months ended July 31, 2015 is $5,367, for a total interest and accretion expense attributable to the convertible debenture, recognized during the three and nine months of $10,432. These amounts have been recognized on the Company's statement of operations for the three and nine months ended July 31, 2015.

On July 30, 2015, the Company executed a letter of intent ("LOI") with Benton Capital Corp. ("Benton")(TSXV: BTC) to provide Benton with the right to acquire up to a 10% gross overriding royalty interest ("GOR") on the sale of micronized flake graphite and any other material processed or micronized by GLK's Innovations division ("GLI") at the micronization facility (the "Facility") located in Matheson, Ontario, 70km east of Timmins, Ontario.

Subject to regulatory approval, due diligence and execution of a Definitive Agreement, Benton has the right to acquire up to a 10% Gross Overriding Royalty by providing GLI with $800,000 in three tranches as follows:

- To earn 5% GOR, Benton will make an initial payment of $400,000 on execution of the Definitive Agreement;
- To earn 7.5% GOR, Benton will make an additional payment of $200,000 on or before September 15, 2015;
- To earn 10% GOR, Benton will make an additional payment of $200,000 on or before October 15, 2015.

In September 2015 the Company was advised of a financial contribution of up to $30,000 from the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP) to help support graphite purification research and development at Process Research ORTECH, located in Mississauga, Ontario.

The Company will need to raise additional financing in the near term to continue to finance operations and pay for ongoing administration of the Company. Alternative sources of capital include but are not limited to funding from capital markets and/or other industry partners. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

LIQUIDITY OUTLOOK

While the financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of $5,263,060 at July 31, 2015 (October 31, 2014 - $3,515,631). The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. Though it has been successful in the past the Company has no assurance that future financing will be available or be available on favorable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its various projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Cash Generating Potential

In order to finance future operations, the Company will pursue the following alternatives:

- Raise additional financing; and
- Enter into joint ventures with other parties in order to continue its planned exploration activities.

Cash Utilization Requirements

The Company has the following requirements:

- Cash is needed to fund both its exploration activities and its administrative activities. This amount varies depending on the amount of capital raised; and
- The Company has both cash commitments and property expenditure commitments. However, as these mineral properties are under option only, the Company is not obligated to meet these commitments.

SHAREHOLDERS' EQUITY

There was an increase of $1,294,369 in share capital in the nine months ended July 31, 2015 to $4,715,620 from $3,421,251 as of October 31, 2014. The increase resulted from the net proceeds received on the issuance of common shares through two private placements completed during the nine months ended July 31, 2015. As at July 31, 2015, the Company had 97,704,075 common shares issued and outstanding.

Shares issued for settlement of debt

On February 12, 2015, the Company entered into a debt settlement agreement with Darioush Capital Corp. for an aggregate settlement amount of $130,000. The Company issued 2,600,000 common shares for settlement of the foregoing debt with a fair value of $104,000 resulting in a gain on settlement of $26,000.

On July 15, 2015, the Company issued 2,000,000 common shares, ascribed a fair value of $180,000, and issued cash payments of $60,000 under the terms of accordance severance agreements for Paul Ankcorn, the Company's former Chief Financial Officer, and John Siriunas, the Company's former Vice President - Exploration.

Shares issued for property obligations

During the nine months ended July 31, 2015, the company issued 10,000,001 common shares, ascribed a fair value of $550,000, in settlement of a property obligation pertaining to the Lochaber project.

Shares issued in private placements

On April 10, 2015, the Company completed a non-brokered private placement, issuing 6,689,255 units units at a price of $0.05 per unit ("Unit") and 7,700,000 flow-through units ("Flow-through unit") at a price of $0.05 per unit for gross proceeds of $719,463. Each unit consists of one common share of the Company and one common share purchase warrant (the "Warrants"); each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 for a period of 24 months from the date of closing. Each Flow-through unit consists of one flow-through eligible common share and one common share purchase warrant (the "FT Warrant"); each FT Warrant entitles the holder to purchase one additional common share at a price of $0.10 for a period of 24 months after closing. Of the $719,463 gross proceeds, $25,000 was received subsequent to period end.

In connection with the private placement, the Company paid a finder fee of $36,600 and issued 732,000 finders warrants exercisable for a period of 24 months from closing at $0.10 per finders warrant.

Share price	$ 0.055
Risk-free rate	0.52%
Expected volatility based on historical volatility	183.93%
Expected life of warrants	2 years
Expected dividend yield	0%
Fair value of 6,689,255 warrants issued	$274,259
Fair value of 7,700,000 flow-through warrants issued	$315,700
Fair value of 732,000 finders warrants issued	$30,012
Fair value per warrant	$ 0.0410

In November 2014, the Company completed a private placement and issued 7,750,000 flowthrough units at a price of $0.10 per unit for gross proceeds of $775,000. Each unit is composed of one flow-through common share of the Company and one common share purchase warrant. Each common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.12 per share for a period of 24 months from the date of issuance.

In connection with the private placement, the Company paid a finder fee of $62,000 and issued 620,000 finders warrants with a fair value of $22,631. In addition, a work fee of $10,000 was paid with respect to the foregoing private placement.

The fair value of the 7,750,000 warrants issued in connection with this private placement were calculated using the Black-Scholes option pricing model with the following assumptions:

Share price	$ 0.07
Risk-free rate	1.035%
Expected volatility based on historical volatility	173.35%
Expected life of warrants	2 years
Expected dividend yield	0%
Fair value of warrants issued under private placement	$282,892
Fair value per warrant	$ 0.037

PROPOSED TRANSACTIONS

The Company has not entered into any significant transaction, nor is it currently reviewing any such transaction, that has not been discussed within this MD&A.

OFF-BALANCE SHEET ARRANGEMENTS

As at July 31, 2015, the Company does not have any off-balance sheet arrangements.

CONTINGENCIES

The Company is not a party to any legal or administrative claims.

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose.

The Company is committed to spend $178,256 (October 31, 2014 - $344,383), representing the remaining proceeds of flow-though share issuances resulting from private placements completed through fiscal 2014 and the nine months ended July 31, 2015.

There is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors. Moreover, the Company, has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its commitments.

CASH FLOWS

Cash flows used in operating activities were $719,716 for the nine months ended July 31, 2015 as compared to cash flow used in operations of $630,296 during the comparative nine months ended July 31, 2014. The increase in cash used is primarily attributable to the increase in administration of corporate activity and exploration activities through the period.

Cash flows used in investing activities were $1,416,147 for the nine months ended July 31, 2015 as compared to cash flows used by investing activities of $534,779 during the comparative nine months ended July 31, 2014.. The increase in cash used in investing activities resulted from increased exploration and strategic acquisition activities undertaken during the period.

Cash flows from financing activities were $2,135,863 for the nine months ended July 31, 2015 as compared to $1,165,075 during the comparative nine months ended July 31, 2014. The cash flows relate to proceeds received from private placements completed during the respective periods.

TRANSACTIONS WITH RELATED PARTIES

The following related party transactions occurred and were reflected in the financial statements during the nine months ended July 31, 2015 and 2014

For the nine months ended July 31,		**2015**		2014
Management fees charged by the former Chief Financial Officer	**$**	**35,000**	$	45,000
Severance payments paid to the former Chief Financial Officer		**120,000**		
Management fees charged by the current Chief Financial Officer		**8,000**		
Management fees charged by the Chief Executive Officer and a company controlled by him		**90,000**		78,000
Consulting fees charged by the Chief Marketing Officer who is a Director		**63,000**		35,500
Geological consulting fees charged by Sr. Vice-President who is a Director		**90,000**		60,000
Geological consulting fees charged by an officer, who is the former Chief Executive Officer		**96,400**		96,000
	$	**502,400**	$	314,500

As at July, 2015, accounts payable and accrued liabilities include $83,030 (October 31, 2014 - $38,299) owing to related parties of the Company.

The Company's key management personnel has the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer and Chief Financial Officer. Total compensation paid to the Company's key management personnel during the nine months ended July 31, 2015 amounted to $502,400 (nine months ended July 31, 2014 - $314,500).

During the nine months ended July 31, 2015, the Company expensed $19,420 (nine months ended July 31 30, 2014 - $Nil) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. ("DSA"), together known as the "Marrelli Group" for:

(i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer "CFO") of the Company, commencing June 1, 2015;
(ii) Bookkeeping and office support services;
(iii) Regulatory filing services
(iv) Corporate secretarial services

The Marrelli Group is also reimbursed for out of pocket expenses.

As of July 31, 2015, the Marrelli Group was owed $17,184 (October 31, 2014 - $Nil). These amounts are included in accounts payable and accrued liabilities.
The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations

CRITICAL ACCOUNTING ESTIMATES

The preparation of its financial statements requires the Company to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenues and expenses.

Our discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are contained in Note 3 to the financial statements for the year ended October 31, 2014 and changes in those policies. Certain of these policies involve critical accounting estimates because they require us to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions.

The following section discusses the critical accounting estimates and assumptions that management has made and how they affect the amounts reported in the financial statements. We consider these estimates to be an important part of understanding our financial statements.

Asset Impairment

The Company reviews the carrying values of its machinery and equipment as well as its non producing mining properties, deferred exploration and development expenditures and deposit and deferred expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated recoverable amounts determined by reference to estimated undiscounted future cash flows.

The recoverability of amounts shown is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to finance the development of the properties, and on the future profitable production or proceeds from the disposition thereof. An impairment loss is recognized when the carrying value of those assets exceeds its estimated net recoverable amount.

Stock-based Compensation

The Company uses the fair value method to account for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is either charged to operations or capitalized to exploration of development expenditures, as appropriate, with an offsetting credit to contributed surplus, over the vesting period of the option. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

Warrants

The Company uses the relative fair value method to account for warrants issued pursuant to proceeds from unit private placements. The fair value of the warrant is determined using the Black-Scholes option pricing model, while fair value of the share is based on the quoted market price on the date the shares are issued. Proceeds from the issuance of units in private placement are allocated on the relatively to the proportion of the fair value of warrant and fair value of share.

Exploration and evaluation assets

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at fair value less costs to sell.

Going Concern

The Company's financial statements were prepared in accordance with International Financial Reporting Standards and on the basis of a going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company currently does not own, hold or have any material interest in, or liability associated with, any derivative instruments.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i**)** controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK MANAGEMENT

Overview

The Company is engaged primarily in the mineral exploration field and accordingly it may be at risk for environmental issues and fluctuations in commodity pricing relating to the mineral extraction and exploration industry. The Company is subject to provincial and federal environmental regulations. Management has designed procedures and policies to provide for environmental compliance however, due to the diversity of environmental laws and regulations, compliance at all times cannot be assured.

Although management has taken steps to verify title on the properties on which it conducts exploration and in which it has an interest, these procedures may not guarantee the Company's title. Property title may be at risk from unregistered prior agreements, unregistered claims, other land claims and noncompliance with regulatory and environmental requirements.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity and funding risk
- Market risk

The Board of Directors approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is on its restricted cash. Restricted cash consists primarily of cash bank balances held with a Canadian chartered bank. The Company manages the credit exposure related to cash by holding its funds with reputable financial institutions. As of July 31, 2015, the Company's maximum credit exposure for restricted cash is the aggregate carrying value of $191,479 (October 31, 2014 - $32,755).

Liquidity risk

Liquidity and funding risk is the risk that the Company will not have sufficient capital to meet short-term operating requirements, after taking into account the Company's holdings of restricted cash.

As at July 31, 2015, the Company's working capital amounted to $83,274 (October 31, 2014 – surplus of $243,742). In the case of cash deficits arising from exploration commitments and general operating budgets, the Company will have to seek debt or equity financing. There is no assurance that such financing will be available on terms acceptable to the Company.

The Company determined that it will require additional capital in order to meet short-term business requirements, after taking into account the Company's holdings of restricted cash. The

Company is actively looking to raise cash funds from private placements. The Company's restricted cash balance is invested in business accounts as of July 31, 2015.

Market risk

Foreign currency risk – The Company is not exposed to any fluctuation in foreign exchange rates because the Company does not hold any foreign dominated financial assets or liabilities.

Interest rate risk – Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments. The Company has no-interest bearing debt.

Equity price risk – The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk – The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company. The Company monitors commodity prices to determine the appropriate course of action to be taken by the Company.

CAPITAL MANAGEMENT

The Company considers its capital to include components of shareholders' equity, which is comprised of share capital, shares to be issued, reserve for warrants, reserve for share-based payments, contributed surplus and deficit, which as at July 31, 2015 amounted to $2,264,088 (October 31, 2014 – $1,405,092).

The Company's objectives in managing capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's investments; to safeguard the Company's ability to continue as a going concern in order to pursue investments and new projects of merit; and to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended July 31, 2015. The Company is not subject to externally imposed capital requirements other than flow-through expenditure requirements.

INDUSTRY, ECONOMIC AND ENVIRONMENTAL RISK FACTORS AFFECTING PERFORMANCE

As a mineral exploration company, the Company's performance is affected by a number of industry and economic factors and exposure to certain environmental risks, and other regulatory requirements. These have been detailed in the Company's filing statement available at www.sedar.com under the Company's name.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in Ontario and Quebec. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital**. There is no known resource, and there are no known reserves, on any of the Company's properties. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.** Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Recent market events and conditions: Starting in 2007, the U.S. credit markets experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. To date, the U.S. economy has not recovered from this downturn, which continues to impact the global economic theatre.

These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to it or at all.

General economic conditions*:* The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity
- the volatility of precious and base metal prices may impact the Company's potential future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs
- the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Share Price Volatility: During the past year, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. **As a consequence, despite the Company's past success in securing significant equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.**

Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

***Mining Industry is Intensely Competitive*:** The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company does obtain could have a material adverse effect on the Company.

Government Regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

***Environmental Restrictions*:** The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement. Fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Foreign Countries and Political Risk: All of the mineral properties held by the Company are located in the US and Canada, where mineral exploration and mining activities may be affected in varying degrees by changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access.

However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to any of its properties.

Title Matters: Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

Exploration and Mining Risks**:** Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory Requirements**:** The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited Experience with Development-Stage Mining Operations: The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Uncertainty of Resource Estimates/Reserves: Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

• these estimates will be accurate;

• reserves, resource or other mineralization figures will be accurate; or

• this mineralization could be mined or processed profitably.

Because the Company has not commenced production at any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate.

Extended declines in market prices for gold, silver, copper, iron or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. **The Company has not established the presence of any resources or any proven or probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish any resources or proven or probable reserves at the Company's properties. The failure to establish proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth**.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Conflict of Interests: Certain of the directors and officers of the Company are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate or may wish to participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Company for the acquisition of mineral property rights.

In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Company and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the provisions of the Business Corporations Act (British Columbia), the directors and officers of the Company are required to act honestly and in good faith, with a view to the best interests of the Company.

In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time.

OTHER MD&A REQUIREMENTS

ADDITONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's *Statement of Comprehensive Loss and Statement of changes in Shareholders' Equity and Schedule of Mineral Exploration Property Costs* contained in its audited Financial Statements for the year ended October 31, 2014 and its condensed interim financial statements for the nine months ended July 31, 2015, which is available on Shield's SEDAR Page Site accessed through www.sedar.com.

OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing, as well as through other means in order to further explore its mineral properties. There can be no assurance that the Company will succeed in obtaining additional financing, nor or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its resources properties.

APPROVAL

The Board of Directors of the Company has approved the disclosures contained in this MD&A upon recommendation of the Audit Committee.

EVENTS AFTER THE REPORTING DATE AND COMMITMENTS

In September 2015 the Company was advised of a financial contribution of up to $30,000 from the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP) to help support graphite purification research and development at Process Research ORTECH, located in Mississauga, Ontario.

On August 27, 2015, the Company issued 270,000 shares in settlement of debt of $28,890, associated with the termination of the Summit Graber property option agreement, as described in note 3 of the Company's July 31, 2015 condensed interim financial statements.

OFFICERS AND DIRECTORS

As of the date hereof the current officers and directors of the Company are:

Paul Gorman – CEO and Director
Robert D. B. Suttie – CFO
Mike Coscia - Sr. Vice President of Sales and President, Innovations Division
Jerry Janik – COO, Innovations Division
Paul Ferguson – CMO and Director
A. John Carter – Sr. Vice President and Director
Laura Mottola – Director
Greg Murphy – Director
Jo-Anne Archibald – Corporate Secretary

Martin Ethier, P.Eng., is the Qualified Person as defined by National Instrument 43-101 for Great Lakes Graphite Inc.

DISCLOSURE OF OUTSTANDING SECURITIES AS AT SEPTEMBER 30, 2015

Outstanding common shares: 97,974,075
Share purchase and finders warrants: 42,082,997
Stock options: 4,534,094

FORWARD LOOKING STATEMENTS

This report may contain forward-looking statements that involve a number of risks and uncertainties including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, aboriginal challenges, delays in or failure to obtain governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors which affect this information, except as required by law.

ADDITIONAL INFORMATION

Additional information may be found on SEDAR at www.sedar.com as well as on the Company's website; www.greatlakesgraphite.com.