`Date: November 28, 2024

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of the operations of Black Swan Graphene Inc. ("Black Swan" or the "Company"), to enable a reader to assess material changes in the financial condition and results of operations as at September 30, 2024 and for the year ended December 31, 2023. This MD&A should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2023 and the unaudited condensed consolidated financial statements as at and for the period ended September 30, 2024. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. Please refer to Note 3 of the audited consolidated financial statements as at and for the year ended December 31, 2023 for disclosure of the Company's significant accounting policies.

The Directors of the Company have reviewed this MD&A and the condensed interim consolidated financial statements for the period ended September 30, 2024, and the Company's Board of Directors approved these documents prior to their release.

Corporate Background

Black Swan Graphene Inc., (formerly Dragonfly Capital Corp.) (the "Company","Black Swan") is focused on the large scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries, and others, which are expected to require large volumes of graphene and, in turn, require large volumes of graphite.

The Company is listed on the TSXV as a Tier 2 Industrial Issuer under the name "Black Swan Graphene Inc." The Common Shares trade on the TSXV under the symbol "SWAN".

On August 2, 2022, Black Swan closed its Qualifying Transaction (as such term is defined in TSX Venture Exchange (the "TSXV") Policy 2.4 – Capital Pool Companies) with Black Swan Graphene Inc. ("PrivCo"), a private Ontario company, pursuant to the terms of a share exchange agreement dated January 17, 2022 as amended, with PrivCo and the shareholders of PrivCo (the "Transaction"). In connection with the Transaction, the Company changed its name from "Dragonfly Capital Corp." to "Black Swan Graphene Inc." The Transaction was completed by way of a share exchange whereby the Company acquired all of the outstanding common shares in the capital of PrivCo (each, a "PrivCo Share") from the shareholders of PrivCo (collectively, the "PrivCo Shareholders") in consideration for the issuance of an aggregate 210,230,343 common shares (each, a "Common Share") in the capital of the Company to the PrivCo Shareholders, at a deemed price of $0.15 per Share. In addition, the 18,620,000 options to purchase PrivCo Shares (each, a "PrivCo Option") which were outstanding immediately prior to closing of the Transaction were cancelled and the holders thereof were granted an aggregate of 15,175,000 options to purchase Common Shares (each, an "Option") and 7,875,000 restricted share units (each, a "RSU") of the Company, under the terms of an omnibus equity incentive plan which was adopted by the board of directors of the Company immediately after closing the Transaction.

The Company acquired certain intangible assets related to a patented graphene processing technology from Thomas Swan, and a license from Trinity College Dublin for the production of exfoliated defect-free, non-oxidised 2-D materials in large quantities (the "TCD License"), which license was previously held by Thomas Swan. In addition, Black Swan Graphene and Thomas Swan have entered into a License Agreement and a Sub-License Agreement, pursuant to which Black Swan Graphene has granted Thomas Swan a license to graphene processing technology for production of up to 1,000 tonnes per year and Black Swan Graphene has sub-licensed the TCD License to Thomas Swan, respectively.

The TCD License is subject to an incremental royalty rate ranging from 3.0% up to 9.0% of net sales when greater than €20,000,000 ($27,345,000) and have lives of 15 or 20 years from the commencement of commercial sales related to such licenses.

To acquire the licenses, the Company paid Thomas Swan £3,000,000 ($5,216,050) and issued 3,875,000 common shares of the Company valued at $3,853,100, based on the value of the common shares in the previous private placement financing. Mason Graphite Inc., (Note 8) incurred transaction fees totaling $390,128, which have been recorded within intangible assets and as a contribution from owner and presented within equity.

Reverse Takeover Transaction and Financing

On January 27, 2022 Dragonfly Capital Corp. ("Dragonfly") announced that Dragonfly, BSG, and the shareholders of BSG (collectively, the "Black Swan Shareholders") entered into a share exchange agreement (the "Share Exchange Agreement"), pursuant to which Dragonfly will acquire all of the issued and outstanding common shares (each, a "Black Swan Share") of BSG and grant certain options (each, a "Replacement Option") in exchange for those outstanding options (each, a "Black Swan Option") of BSG (the "Transaction"). It is expected that the Transaction will represent the reverse acquisition of Dragonfly by BSG for accounting purposes. There can be no assurance the Transaction will be completed as described or at all.

In connection with the Transaction, on August 2, 2022, Dragonfly completed a subscription receipt financing (the "Subscription Receipt Financing") for gross proceeds of approximately $7,000,500. Dragonfly completed the Subscription Receipt Financing pursuant to the terms of a Subscription Receipt Agreement (the "Subscription Receipt Agreement") among Dragonfly, BSG, and Endeavour Trust Corporation, as Subscription Receipt Agent, and, in connection therewith, issued an aggregate of 46,669,665 subscription receipts (each, a "Subscription Receipt") at a price of $0.15 per Subscription Receipt. Each Subscription Receipt, subject to the fulfillment of the Escrow Release Condition (as defined below), entitles the holder thereof to receive one common share in the capital of Dragonfly.

The gross proceeds from the Subscription Receipt Financing (collectively, the "Escrowed Funds"), less the reasonable expenses of the Subscription Receipt Agent incurred in connection with the Subscription Receipt Financing, will be held in escrow pursuant to the terms of the Subscription Receipt Agreement and shall be released immediately prior to completion of the Transaction (as defined below) upon the satisfaction, amongst other things, of (collectively, the "Escrow Release Condition"): (i) all conditions to the completion of the Transaction, other than the release of the Escrowed Funds; (ii) the receipt of all shareholder and regulatory approvals required for the Transaction; and (iii) the conditional approval for listing of the common shares of the issuer resulting from the Transaction (the "Resulting Issuer") having been received from the TSX Venture Exchange ("TSXV"). In the event the Escrow Release Condition is not satisfied on or before 5:00 p.m. (Vancouver time) on July 31, 2022, subject to extension at the request of Dragonfly and BSG, the Subscription Receipt Agent shall return to the holders of the Subscription Receipts their pro rata share of the Escrowed Funds plus any accrued interest earned thereon (less applicable withholding tax) and the Subscription Receipts will be cancelled and of no further force and effect. The Company also paid aggregate cash finder's fees of $110,100 to certain eligible finders in connection with the closing of the Subscription Receipt Financing. The finder's fees will be held by the Escrow Agent in trust and released to the finders following the satisfaction of the Escrow Release Condition.

Corporate Highlights and Overview

- The completion of its listing process with Dragonfly Capital Corp., and the conversion of the subscription receipts into common shares for gross proceeds of approximately $7.0 million, which was upsized from the original $5.0 million due to high demand. Following the closing of the RTO Transaction, Black Swan Graphene had a cash position of approximately $9M.

- The execution of a multi-year Master Distributorship Agreement with Gerdau Grafeno Ltda ("Gerdau Graphene"), a wholly owned subsidiary of Gerdau S. A. focused on the development of chemical additives, mineral additives and masterbatches with graphene, which will buy products from Black Swan Graphene in order to market, promote and resell in the Americas Region;

- The execution of a non-binding letter of intent with Nouveau Monde Graphite Inc., whereby Black Swan Graphene would agree to establish graphene production capacity within Nouveau Monde's graphite processing plant, which has a design throughput of 3.5 tonnes of ore per hour (tph), the equivalent nameplate production capacity of approximately 1,000 tonnes of graphite concentrate per annum, using NMG's ore grading an average of 4.5% graphitic carbon, in Saint-Michel-des-Saints, Québec, Canada, in order to create a fully-integrated producing facility from graphite ore, through graphite concentrate, and to graphene finished products. This proposed agreement falls within the proposed joint venture to be formed between Mason Graphite and Nouveau Monde; see the joint press release issued by Mason Graphite and Nouveau Monde on May 16, 2022;

- The execution of a binding collaboration agreement with a key equipment supplier, which includes commercial details and minimum commitments for the procurement of longlead items required for large scale production of graphene;

- The grant by the Chinese Authorities of a Certificate of Invention Patent to Black Swan Graphene for apparatus and method for bulk production of atomically thin 2-dimentional materials including graphene, increasing the portfolio of patents and patent applications to 20 in 9 countries;

- The execution of a Tier-2 Membership Agreement with the Graphene Engineering Innovation Center ("GEIC") of the University of Manchester, a world-class centre which promotes, assists and carries out applied research, commercialisation, and manufacture of graphene;

- The launch of a new website, which includes a corporate video, which will be used for various industry events and furthering the brand awareness of Black Swan Graphene: www.blackswangraphene.com;

- The appointment of Mr. Michael Edwards as Black Swan Graphene's Chief Operating Officer ("COO"). Mr. Edwards joins Black Swan Graphene from Thomas Swan & Co. Ltd., where he was the head of the Advanced Materials Division, where the company's graphene processing technology was originally developed;

- The appointment of Mr. Henri Wilhelm, as Black Swan Graphene's Vice-President Technology. Mr. Wilhelm has more than 15 years of experience in R&D, characterization and development of graphite-based products for energy storage applications. His career included working within Imerys Graphite & Carbon and SGL;

- Master Distributorship Agreement with Gerdau Graphene Gerdau Graphene will collaborate with Black Swan Graphene in order to introduce graphene products and accelerate the adoption of graphene in different industrial applications in the Americas market, including concrete and polymers where Gerdau Graphene will serve as a distributor, working with its customers in the integration of the graphene products, and support the development of existing and new applications;

- On April 6, 2023, the Company and Nationwide Engineering Research and Development Ltd ("CONCRETENE") announced the closing of the Equity Swap and the entering into of the Supply Agreement announced on March 27, 2023, creating a strategic partnership being embedded in a fully integrated supply chain which will include Arup Group Limited ("Arup"), a multinational engineering consultancy headquartered in London, United Kingdom, with 18,000 experts working across 140 countries; and

- On September 14, 2023, the Company announced the results of the Scoping Study. The Scoping Study provides an initial evaluation, including processing plant specifications as well as conceptual mechanical, civil, structural, and electrical designs, for its proposed 40,000 square-foot first large-scale production facility, based on the same processing technology currently being used in the facility located in the United Kingdom. The annual production and self-sustaining ramp up of its industry-ready products have been established by taking into consideration customers and distributors' expected demand, as well as strategic partnerships, including the partnerships with Nationwide Engineering Research & Development ("CONCRETENE" formerly "NERD") and the Arup Group ("Arup"). The Scoping Study also established capital and operating cost estimates, as well as financial analysis based on its strategy to build such facility in Québec, Canada, where the Company aims to leverage the emergence of a world class graphite industry as a raw material source and the province's low-cost renewable hydroelectricity. While the initial capacity target stands at 9,868 tonnes per annum in accordance with the Company's initial strategy, expansion beyond this figure will be driven by market dynamics and raw material access.

- On Jan. 9, 2024 the Company announced that its partner, Nationwide Engineering Research and Development or "**CONCRETENE**", the maker of Concretene, a graphene-enhanced concrete admixture has executed a development agreement with Roger Bullivant Limited ("**Roger Bullivant**"). Roger Bullivant is part of Soletanche Bachy, a foundations company and part of VINCI, the French construction, infrastructure and energy group of companies with €60 billion in annual revenue. The agreement aims to begin commercial deliveries in Q4 of 2024.

- On Jan. 16, 2024, the Company announced a commercial agreement with Hubron International Ltd. ("**Hubron**"), specializing in customised solutions in plastic masterbatch and conductive compound manufacturing. This strategic partnership is set to hasten the commercialization of Black Swan's graphene products, leveraging Hubron's 80 years of compounding expertise and market access.

- On Jan. 17, 2024, the Company announced a range of Graphene Enhanced Masterbatch ("**GEM**") products. These GEMs offer different performance and attributes of products aimed at multiple applications in the polymer industry. This announcement follows a recent commercial agreement ratified with Hubron International Ltd. ("**Hubron**"), a global leader in black masterbatch manufacturing. *See press release dated January 16, 2024.*

- On Jan. 24, 2024 the Company announced the establishment of a Distribution and Sales Agreement (the "**Agreement**") with Thomas Swan & Co. Ltd. ("**Thomas Swan**"), effective as of January 23, 2024. This Agreement leverages the existing strategic partnership and positions Thomas Swan as a value-added non-exclusive distributor and reseller of Black Swan's innovative Graphene Enhanced Masterbatch ("**GEM**") products in the polymer additive market.

- On April 30, 2024 the Company announced the commercialization and release of GraphCore™ 01 family of graphene nanoplatelets products. These products, now in full production volume, are tailored to meet a diverse range of needs within the polymer industry, offering various forms including powders and polymer-ready masterbatches.

- On June 18, 2024 the Company announced having initiated a commercial partnership for the supply of Black Swan's graphene used in the fabrication of GC Shield®, a patented ballistic protection technology. Furthermore, Black Swan is excited to report having received strong interest for its graphene enhanced masterbatch products (*see press release dated April 30, 2024*). Several promising initiatives involving high-profile customers are currently underway, and the Company expects to provide more details in the near future.

- On July 16, 2024 the Company unveiled its new Graphene Enhanced Masterbatch ("GEM"), GEM S27M, the latest innovation in the Company's GraphCore™-01 product line ("GraphCore"). This new offering is a 10% graphene nanoplatelet ("GNP") masterbatch in high-density polyethylene ("HDPE"), designed to deliver transformative benefits.

- On July 23, 2024 the Company announced a Commercial Agreement (the "Agreement") with Broadway Colours Ltd. ("Broadway"), a leading United Kingdom based manufacturer of colour and additive masterbatches, plastic compounds, and rotational moulding powders. Broadway supplies moulders across the United Kingdom, Europe and internationally. Notably, their high-quality materials are specified by a number of multinational consumer goods companies for use in their branded packaging. This strategic partnership aims to accelerate the commercialization of Black Swan's graphene products by leveraging Broadway's technical expertise, manufacturing capabilities, distribution and market reach.

Liquidity and Capital Resources

As at September 30, 2024, the Company had working capital of $4,162,895 (December 31, 2023 - $5,785,721) which included a cash balance of $3,750,982 (December 31, 2023 - $5,323,893), including amounts receivable of $576,459 and prepaid expenses of $22,171 offset by accounts payable and accrued liabilities of $188,717.

Investment

On April 5, 2023, under an Equity Swap, CONCRETENE issued to Black Swan 7,177 seed preferred shares ("CONCRETENE Shares"), ranking senior to all other shares in the share capital of CONCRETENE, at a deemed price per share of £220 for an aggregate deemed subscription price of approximately £1.58 million or approximately CAD$2.65M. and representing a 5.0% ownership stake in CONCRETENE on a post-money, fully diluted basis. Black Swan paid for the CONCRETENE Shares by way of issuance of 16,371,504 common shares in the capital of Black Swan. The value of the Investment in CONCRETENE was based on the closing price of the Company's common shares on the TSX-V on April 5, 2023. On the date of the acquisition the value of the investment was $2,455,726. As at September 30, 2024, after a fair value adjustment, the value of the investment is $795,249 and the Company's ownership is 4.93%.

As part of the transaction, the Company issued 1,600,000 compensation warrants with an expiry date of April 5, 2026 and an exercise price of $.15.

Results of Operations

Quarterly information:

	2024 Third	**2024 Second**	**2024 First**	**2023 Fourth**
Revenues	Nil	Nil	Nil	Nil
Net comprehensive income (loss)	$(2,332,274)	$(1,654,120)	$(643,384)	$(2,755,100)
Basic and diluted loss per Black Swan Share	$(0.01)	$(0.01)	$(0.00)	$(0.02)
	2023 Third	**2023 Second**	**2023 First**	**2022 Fourth**
Revenues	Nil	Nil	Nil	Nil
Net comprehensive income (loss)	$(972,494)	$(1,479,794)	$(877,317)	$(1,716,109)
Basic and diluted loss per Black Swan Share	$(0.01)	$(0.00)	$(0.00)	$(0.04)

For the period ended September 30, 2024:

During the nine month period ended September 30, 2024, the Company recorded a loss of $2,332,274 or $0.01 per share (September 30, 2023 - $3,329,604 or $0.01 per share). Expenses incurred during the

period ended September 30, 2024 included $606,628 in project development expenses (September 30, 2023 - $605,060), as the Company continued on its strategy of distributing low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries, and others, which are expected to require large volumes of graphene. The Company incurred $189,626 in professional fees (September 30, 2023 – 206,247) comprised of legal fees for services in connection with the transactions discussed, as well as audit fees and listing and filing fees.

Cash flows

During the period ended September 30, 2024, the Company had a decrease of $1,572,909 (September 30, 2023 - $2,843,778) in cash flows from operating activities during the year.

During the period ended September 30, 2024, the Company generated $nil (September 30, 2023 - $nil) in cash flow from investing activities as a result of the acquisition of the patents.

During the period ended September 30, 2024, the Company generated $nil (September 30, 2023 - $nil) in cash flow from financing activities, by proceeds from private placements.

CAPITAL MANAGEMENT

The Company is focused on the large-scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors. The Company manages its capital structure and adjusts its capital structure based on available funds in order to support these activities. The Board 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 Company considers its capital to consist of common shares.

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 significant changes in the Company's approach to capital management during the periods ended September 30, 2024 and 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, amounts receivable, investment, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the statements of financial position approximate their respective fair values (with the exception of the investment) due to the

relatively short-term nature of these instruments. As at September 30, 2024, the Company classifies their investment as a level 3 financial instrument.

The following tables illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at September 30, 2024.

	Level 1	**Level 2**	**Level 3**
Investments, fair value	Quoted Market price	Valuation technique-observable market inputs	Valuation technique-non observable market inputs
Private investment	-	-	795,249
30-Sep-24			795,249

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at September 30, 2024.

Description	Fair Value	Valuation Technique	Significant Unobservable input(s)	Range of significant Unobservable input(s)
30-Sep-24	795,249	Recent financing	Marketability of shares	0% discount

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

a. *Trade credit risk*
The Company is not exposed to significant trade credit risk.

b. *Cash*
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to UK sterling and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk. The Company did not have any UK sterling denominated assets and liabilities as at December 31 2023 or 2022.

As at September 30, 2024 (December 31, 2023 – US dollars 5,420), the Company had cash of US dollars of 8,323 as the only financial instrument denominated in US dollars (expressed in Canadian dollars):

A 10% strengthening (weakening) of the Canadian dollar against the United States dollar would decrease (increase) net loss by approximately $832 (December 31, 2023: $542).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2024, the Company had a cash balance of $3,750,982 (December 31, 2023 - $5,323,893) to settle current liabilities of $188,717 (December 31, 2023 - $114,230). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the period ended September 30, 2024, the remuneration of directors and other key management personnel was $482,994 (September 30, 2023 - $482,994). A total of $nil was recorded in share-based payments expense for stock options and RSU's issued to directors and officers.

Management Contracts

The Company is party to certain management contracts. These contracts require payments of approximately $1,405,000 upon the occurrence of a change in control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $815,000 pursuant to the terms of these contracts. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.