



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

For the three months ended January 31, 2016

This Management Discussion and Analysis (“MD&A”) was prepared March 30, 2016.

This MD&A of the results of operations and the financial condition of Saint Jean Carbon Inc. (“St. Jean” or the “Company”) supplements but does not form part of the unaudited financial statements and accompanying notes of the Company for the three month period ended January 31, 2016. Consequently, the following discussion and analysis of the financial condition and results of operations of Saint Jean Carbon Inc. should be read in conjunction with the unaudited condensed financial statements for the three month period ended January 31, 2016 and the audited financial statements for the year ended October 31, 2015.

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

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

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

DESCRIPTION OF BUSINESS

The name of the Company was changed to Saint Jean Carbon Inc. from Torch River Resources Ltd. at the AGM on October 30, 2013.

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

The Company holds graphite properties in Quebec, molybdenum properties in British Columbia and gold properties in Manitoba.

Since 2013, the Company has concentrated on the acquisition of lump graphite properties in the province of Quebec and is in the process of evaluating and developing these graphite properties. St. Jean has NI 43-101 reports on two of the properties. It has not yet determined whether they contain reserves that are economically recoverable.

The Company has taken concrete steps to augment this work by partnering with universities and business partners to convert raw materials into technologically advanced materials and use these for new products. Patents on Intellectual Property have been applied for and continual work is being done on these processes to develop value.

Historically, the Company had focused its main efforts on exploring for molybdenum (Mo), copper and silver in British Columbia. Molybdenum exploration was done preliminarily with the Red Bird property and subsequently at Mount Copeland.

St. Jean is a reporting issuer in Alberta and British Columbia and is a listed Tier 2 issuer on the TSX Venture Exchange, trading under the symbol “SJL” (formerly TCR). The Company is a Venture issuer and is not required to file an Annual Information Form.

GENERAL DEVELOPMENT OF THE BUSINESS

Saint Jean Carbon Inc. (formerly Torch River Resources Inc. and previous to that Torch River Mines Ltd.) was incorporated on June 18, 1997, by Certificate of Incorporation issued pursuant to the provisions of the *Companies Act* (Alberta) and extra-provincially registered to carry on business in the provinces of Saskatchewan, Manitoba, British Columbia and Quebec.

Torch River Mines Ltd. held 100% interests in the High Rock Mineral claim block (gold) and the Climpy Mineral claim both located in Island Lake Manitoba. Since incorporation, Torch River Mines Ltd. acquired claims in the Island Lake area in Manitoba.

On March 26, 2004, the Company was officially formed from the amalgamation of Tael Capital Inc. and Torch River Mines Ltd. under the *Business Corporations Act* (Alberta) under the name Torch River Resources Ltd. The amalgamation was the Company’s Qualifying Transaction for listing on the TSX Venture Exchange.

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

On February 12, 2008, the Company signed an option agreement on (the “Mount Copeland Option Agreement”) a past producing molybdenum property located near

Revelstoke, British Columbia (the “Mount Copeland property”). The Company renegotiated the Option Agreement to acquire 100% of the property (subject only to a 2.75% Net Smelter Agreement).

On August 19, 2013, the Company announced that it had completed the transaction to acquire the Walker graphite property. The property covers 9.02 square kilometers of land and is located, in Quebec, 40 kilometers north-east of Ottawa. This is a past lump graphite producing property.

On October 30, 2013, the name of the Company was changed from Torch River Resources Ltd. to Saint Jean Carbon Inc.

On January 16, 2014 the Company announced that it had completed the transaction to acquire the St. Jovite and Wallingford properties. The Wallingford property is located 11 kilometers north of Buckingham village, some 180 kilometers west of Montréal. The St. Jovite property is located 4.5 kilometers south-east of St-Rémi d’Amherst village, in the Laurentian region approximately 153 kilometers northwest of Montreal. The Company decided not to retain the Wallingford claims.

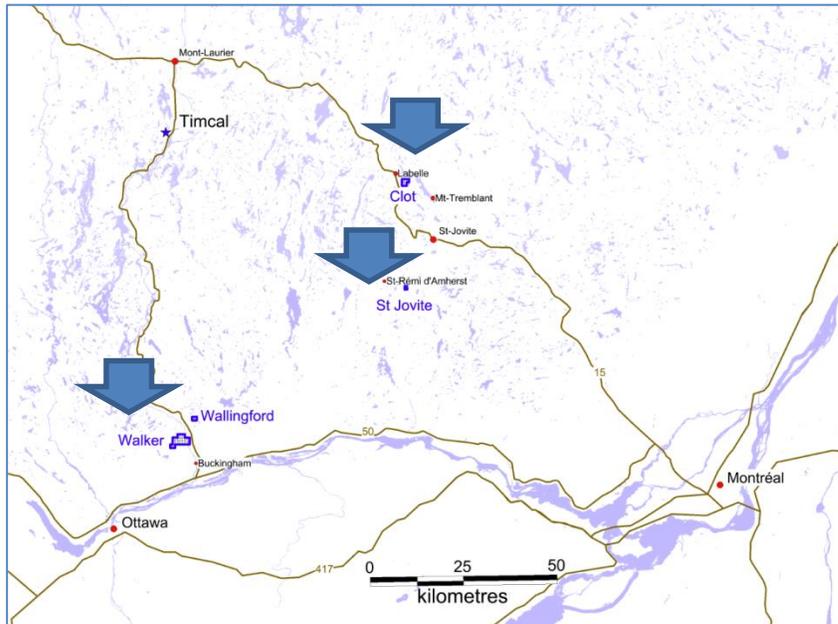
On December 15, 2014, the Company acquired the Miller East and Page properties. The Company decided not to retain the Miller East and Page claims.

On February 2, 2015, the Company announced that it had completed the acquisition of the Clot Properties. On June 1, 2015, the Company announced the NI 43-101 report on the property.

On October 1, 2015, the Company announced that it had received a Research Grant from the Natural Sciences and Engineering Research Council of Canada (NSERC) to cover work conducted at the University of Waterloo Carbon Nanotechnologies Laboratory. On November 24, 2015, that it had received another grant from Natural Sciences and Engineering Research Council of Canada (NSERC).

SUMMARY OF PROPERTIES

LOCATION OF QUEBEC GRAPHITE PROPERTIES



The above map shows the location of St. Jean's Quebec properties.

Walker

The Walker property is located 8 kilometers northwest of Buckingham, in Buckingham Township. The property lies within SNRC sheet numbers 31G11 and 31G12, and is made of 19 claims, for a total area of 1,142.55 hectares. The property includes the Walker mine, a past graphite producer with about 816 tons of flaky and lump graphite extracted from the mine between 1876 and 1906. Main roads are located 2 kilometers away from the Walker Mine. A secondary or private road runs up to the property site which allows for easy access. The property is located in the Central Metasedimentary Belt of the Grenville geological Province, which comprises north-northeast trending marble and quartzite domains that also include quartzo-feldspathic gneisses and tonalitic intrusions. In the area surrounding Walker Property, regional metamorphism is upper amphibolite grade and reaches the granulite facies, locally.

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

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

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

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

Also in October 2013, a beep mat survey was undertaken in the west portion of the property, on a grid over old pits from which vein type graphite was extracted. The survey returned 20 conductive anomalies forming two distinct clusters. Small graphite veins were exposed below strongest beep mat anomalies at depths ranging from 0.3 to 0.6 m.

St. Jovite

The property is located 4.5 kilometers south-east of St-Rémi d'Amherst village, in the Laurentian region approximately 153 kilometers northwest of Montreal. The property lies within NTS map 31J02 and 31G15 and straddles Amherst and Arundel Townships. It consists of a continuous block of 7 claims for a total of 418.2 hectares. Easy access is provided via public roads and the entire property is on private land. Several lakes and streams are present in the property, including Brosseau Lake located in the NW portion. Physiography is characterized by small hills with relatively steep topography in the northern portion of the property.

The St. Jovite property is found in the Morin Terrane of the Grenville geological Province, near the Labelle Deformation Zone which separates the Morin Terrane to the East with the Central Metasedimentary Belt to the West. The Morin Terrane includes the Morin Anorthosite Complex and related granitic intrusions with granulite-facies mineral assemblages. These intrusive rocks consists of monzonite, or hypersthene-bearing monzonite (mangerite) and some granites. Anorthosite-suite

rocks are deformed both in shear zones and in the interior of the terrane and show intrusive contact relations with marbles which were observed near the St. Jovite village.

The area next to the west limit of the property was geologically mapped in the fifties (RP321) and reported the presence of granites, syenite diorite and pegmatites. According to the QMNR's (Québec Ministère des Ressources Naturelles et de la Faune) database, the property includes the Brébeuf-SSE deposit which was mined sporadically for mica and apatite from 1954 to 1961. It consists of a vein type deposit with most important pegmatitic vein measuring 30 m in length by 0.6 to 1.8 m in width. Phlogopite, pink and white calcite and apatite were the main minerals found in pegmatite veins cutting a granite (DP184). In general, the veins are fairly regular, most extensive one being about 100 ft. long and from 2 to 6 ft. wide. Other exposed veins are of smaller dimensions. All veins have well defined walls. Mica makes up 90% of the veins and occurs as intergrown books of phlogopite. There is no mention of the attitude for the veins but a sketch of the pits and veins provided with the report shows a general SE/NW or the SW-NE extension for the exploited veins (GM10579). The presence of granitic and pegmatitic rock units warrant further investigation to find marbles or graphite-mineralized skarns.

Brébeuf graphite deposit, is located some 4.5 kilometers northwest of St. Jovite property. It is described as a graphitic occurrence located in marble and quartzite. Historical works on the Brébeuf deposit report a graphite content of 33.82% from a graphitic band within the marble and a flaky and lump type mineralization. According to Spence (1920), the site was actively exploited in 1909 by Graphite Ltd. of Montreal who put down a 90 foot shaft besides carrying out a lot of surface work. In 1912 a large mill was erected. Only sporadic production in 1914 and 1916 has occurred afterwards. The total production during those years (1909-1913 and a few weeks in 1916) was 126,000 pounds valued at \$5,400 (Maurice 1973). This deposit is found at the contact zone between the Grenville and a granitic intrusive mass, where a wide zone of alteration was developed with secondary minerals derived from the sediments, such as wollastonite, scapolite and diopside. Bourret described the deposit in 1960 and reported several tons of hand cleaned graphitic minerals with several large crystals of wollastonite.

Clot

The Clot property is located 3 kilometers South of Labelle village in the Laurentian region, about 150 kilometers northwest of Montréal and is depicted in NTS map 31J07 (Joly Township). The property consists of 5 claims for a total of 297.35 hectares. The property is readily accessed from public roads connecting to Labelle village. The east portion of the property is on public land whereas the westernmost claims (CDC2391792 and CDC 2391790) are on private land. The property is found in the Morin Terrane of the Grenville geological Province, near the Labelle Deformation Zone which separates the Morin Terrane to the East with the Central Metasedimentary Belt to the West.

The Morin Terrane includes the Morin Anorthosite Complex and related granitic intrusions with granulite –facies mineral assemblages. These intrusive rocks consists of monzonite, or hypersthene-bearing monzonite (mangerite) and some granites.

Anorthosite-suite rocks are deformed both in shear zones and in the interior of the terrane and show intrusive contact relations with marbles which were observed near the St. Jovite village.

The Clot Property is underlain with highly metamorphosed rocks (granulites and sillimanite- garnet- biotite paragneisses), in a highly deformed area (Labelle Deformation zone). These rocks are in contact with calc-silicate rocks in the northeast portion of the property. Clot Mine, located some 150 m away from the property, is hosted in the same lithology. This graphite deposit was discovered in 1907 and worked intermittently until 1919. Prospecting activity and staking took place in 30's and '40's. Quebec Graphite Corp. acquired the property in 1953. Graphite mineralization consisted of lump graphite in veins and disseminations, in a zone measuring 200 ft. in length and 10 - 15 ft. in width. Spence (GM15290) visited the mineralized occurrence in 1942 and reported that graphitic veinlets (1 to 2 inches thick) that were described as being formed around small brecciated, angular fragments and blocks of marbles, forming a band striking more or less north-south and dipping at 65° W.

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

HISTORIC PROPERTIES

Red Bird Property

The Red Bird molybdenum property consists of six mineral claims situated in the Skeena Mining Division of west central British Columbia 133 kilometers southwest of Burns Lake and 105 kilometers north of Bella Coola. The property covers an area of 1,952.7 hectare centered on latitude 53°17'44" North and longitude 127°00'34" West in NTS map area 93E/6.

On July 8, 2005 Red Bird Resources Ltd and the Company entered into the Red Bird Option Agreement for the Red Bird Property. The Red Bird Property represents an advanced molybdenum, copper and rhenium porphyry target. As of May 31, 2008 the Company became the legal and beneficial owner of a non-transferable 25% undivided interest in the property.

The Company is considering divesting this property now that its focus is on graphite.

High Rock Property and Climpy Property

The High Rock Property and the Climpy Property are gold prospects in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,550 hectares High Rock consists of 9 mining claims covering 1,307 hectare and the Climpy Property consists of one claim covering 243 hectares St. Jean holds a 100% interest in all claims. There was 895 feet of drilling done in 2004. Assay results range from trace to .154 oz. /t of gold. Further comprehensive development in the form of bulk sampling will be required on both the Juniper Vein as well as the Main Vein to establish the economic viability of the property. There has been no recent exploration

conducted. Tenures on the Climpy property are to 2035 while High Rock was extended to 2022.

The Company is considering divesting these properties now that its focus is directed on graphite

Mount Copeland Property

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

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

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

In 2008, Mount Copeland had a 10 hole drill program of 2,878 meters were completed. A NI 43-101 Technical Report dated December 1, 2008 was completed and posted on SEDAR on March 16, 2009. This in-depth report was done to provide an evaluation of the existing data on Mount Copeland and determine the potential of the property.

On January 5, 2010, the Company announced results of 31 samples from 7 drill holes from 2008 that were assayed for Rare Earth Elements. A further release dated March 9, 2010 provided mean average values for rare earth elements from the 31 core samples and 53 soil samples. Subsequent to the initial Mount Copeland option agreement the Company increased the number of property claims from two to eight comprising a total of 1,886.296 hectares

The Company is considering divesting these properties now that the focus of the company is on graphite.

PROPERTY TRANSACTIONS WITH RELATED PARTIES

Mount Copeland Option Agreement

On February 14, 2008 the Company announced that it had signed the Mount Copeland Option Agreement. The vendors of the Mount Copeland Property are William E. Pfaffenberger, President and a director of St. Jean, J. John Kalmet, Andris Kikauka and Multiplex Enterprises. The vendors are entitled to a net smelter royalty of 2.75% on all minerals mined.

CONTRACTUAL OBLIGATIONS

Certain officers and directors have made unsecured loans to the Company (See "Related Parties").

SELECTED QUARTERLY INFORMATION
(Eight Quarter history)

<i>Item</i>	<i>Qtr 1/16 Three Months Ended Jan 31, 2016</i>	<i>Qtr 4/15 Three Months Ended Oct 31, 2015</i>	<i>Qtr 3/15 Three Months Ended Jul 31, 2015</i>	<i>Qtr 2/15 Three Months Ended Apr 30, 2015</i>
<i>Cash & Cash Equivalents including short term investments</i>	79,986	18,751	9,814	6,296
<i>Mineral Exploration and evaluation assets</i>	2,678,150	2,675,040	2,564,615	2,549,818
<i>Working Capital</i>	(937,757)	(1,158,415)	(1,482,315)	(1,462,407)
<i>Net Sales</i>	11,166	-	-	-
<i>Gain (Loss) before extraordinary items</i>	(153,451)	(155,145)	(183,212)	(172,039)
<i>Gain (Loss) after extraordinary items</i>	(153,451)	(155,145)	(183,212)	(172,039)
<i>Loss per share</i>	(.001)	(.002)	(.002)	(.002)
<i>Fully diluted loss per share</i>	(.001)	(.002)	(.002)	(.002)
<i>Total Assets</i>	2,854,765	2,779,034	2,639,813	2,618,552
<i>Total Long Term Financial Liabilities</i>	-	-	-	-

<i>Item</i>	<i>Qtr 1/15 Three Months Ended Jan 31, 2015</i>	<i>Qtr4 /14 Three Months Ended Oct 31, 2014</i>	<i>Qtrs. 3/14 Three Months Ended Jul 31, 2014</i>	<i>Qtr 2/14 Three Months Ended Apr 30, 2014</i>
<i>Cash & Cash Equivalents including short term investments</i>	13,885	1,524	7,869	17,989
<i>Mineral Exploration and evaluation assets</i>	2,527,603	2,427,924	3,271,346	3,227,102
<i>Working Capital</i>	(1,269,439)	(1,220,725)	(1,084,711)	(387,342)
<i>Net Sales</i>	-	-	-	-
<i>Gain (Loss) before extraordinary items</i>	(86,982)	(835,916)	(291,593)	(301,248)
<i>Gain (Loss) after extraordinary items</i>	(86,982)	(835,916)	(291,593)	(301,248)
<i>Loss per share</i>	(.001)	(.009)	(.004)	(.004)
<i>Fully diluted loss per share</i>	(.001)	(.009)	(.004)	(.004)
<i>Total Assets</i>	2,602,505	2,509,904	3,415,331	3,451,770
<i>Total Long Term Financial Liabilities</i>	-	-	284,987	646,879

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

RESULTS OF OPERATIONS

For the three month period ended January 31, 2016

There was income of \$11,166 for work performed for the design and development of advanced graphene material.

Total expenses for the three month period ended January 31, 2016 were \$164,631 compared to \$87,002, for the comparable year to date in 2015, an increase of \$77,629.

Changes resulted due to:

- The costs of loans increased by \$6,784. Positively, some loans were reduced during the period from the values as at year end.
- Filing fees were higher by \$7,313 due to a larger number of news releases in the period.
- Investor Relations decreased by \$6,061 due to reduced use of third party services.
- Management fees were higher than prior year by \$47,500 as all senior management booked fees in the current quarter.
- Professional fees increased by \$20,842 due to increased project activity.

BASIS OF PRESENTATION AND GOING CONCERN

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

LIQUIDITY AND CAPITAL RESOURCES

At the end of this reporting quarter, St. Jean had a working capital deficit of \$937,757 compared to the working capital deficit on January 31, 2015 of \$1,269,439. Cash and cash equivalents were \$79,986 compared to \$13,885 as at the January 31st of last year.

- Between May 2, 2014 and January 31, 2016, a director(s) and / or officer(s) of the Company provided unsecured loans including interest at a rate of 12% per annum which totaled to \$118,340.
- On December 21, 2015, the Company closed a private placement of 10,000,000 flow-through units at a price of \$0.05 per unit for gross proceeds of \$500,000. Each flow-through unit consisted of one common share and one-half common share purchase warrant. Each full warrant entitles the holder to purchase one common share at an exercise price of \$0.06 for a period of thirty-six months.
- The note payable carries an interest rate of 10% per annum and currently totals \$317,466.

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CURRENT BUSINESS ACTIVITY

During the reporting quarter, the focus has continued to be directed to the exploration and property development of the Quebec graphite properties including evaluating potential acquisitions to add to the portfolio of Quebec properties. This included the announcement after the reporting quarter of the intent to purchase two past producing hydrothermal lump vein graphite mines known as the Diamond Graphite mine and the Bell Graphite mine.

The Company has taken concrete steps to augment property work by partnering with universities and business entities to convert raw materials, to develop technologically advanced materials and the uses for the graphite material. On November 12, 2015, that with the assistance of researchers at the University of Western Ontario in London, Ontario that the first measurements of the Company's graphene nano materials were completed.

This carbon science component includes research on the filed patents on Intellectual Property. On November 9, 2015, the Company reported that an additional patent was filed to produce spherically-shaped graphite to be used in lithium ion batteries. On November 18, 2015, Brad Little joined the St. Jean technical advisory board as Director of Intellectual Property. He has the responsibility for all patent management filing and design engineering.

The direction and goal of the Company is to be a leading edge company and to align with leading edge organizations.

On December 7, 2015, the Company reported that it had signed a commercial contract for the design and development of advanced graphene material, the first sales for the company since inception.

The company is currently pursuing all opportunities in the graphene industry including other future potential uses of high grade graphite like; lithium ion batteries, superconductors, etc. We are working with universities in both Canada and the United States with an eye on licensing and developing our own intellectual property. We feel that putting 100% of our efforts to graphene production / development will put the company in a good position to grow and take advantage of what we feel is the next

big development in the carbon business. We see the company working as a partner with companies that want to have advanced materials as a part of their product, but we do not see ourselves as the manufacturer of the application, rather the supplier of the high grade material to a specific specification.

On November 24, 2015, the Company reported that it had received a further grant from Natural Sciences and Engineering Research Council of Canada (NSERC). Research grants continue to be actively pursued and work is being conducted on previously awarded government grants by our University partners.

On December 7, 2015, the Company held their Annual General Meeting.

RISK AND UNCERTAINTIES

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

One of the principal activities of the Company is mineral exploration which is inherently risky. Exploration is also capital intensive and the Company currently has no significant source of income. Only the skills of its management in the mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

SHARES ISSUED AND OUTSTANDING

ISSUED SHARE CAPITAL:

Statement of Changes in Shareholders' Equity

Common Shares	2016		2015	
	Number of shares	Share Capital	Number of shares	Share Capital
Balance, beginning of year	113,073,160	\$14,382,294	91,700,960	\$13,618,295
Private Placement	10,000,000	500,000	-	-
Property Acquisition	-	-	6,500,000	132,500
Convertible Debenture	-	-	-	-
Warrant Redemption	800,000	40,000	-	-
Debt settled in shares	-	-	-	-
Share issue costs	-	(66,560)	-	(839)
Flow through shares	-	-	-	-
Flow through premium	-	(100,000)	-	-
Balance as at January 31	<u>123,873,160</u>	<u>\$14,755,734</u>	<u>98,200,960</u>	<u>\$13,749,956</u>

OPTIONS

	Number of options	Weighted Average Exercise Price
Balance, October 31, 2015	7,765,689	\$0.06
Granted	-	-
Expired	(400,000)	0.20
Exercised	-	-
Balance January 31, 2016	7,365,689	\$0.06

Options Granted

A summary of options granted as at January 31, 2016 is as follows:

Number of Shares Under Option	Exercise Price	Expiry Date
985,000	\$0.10	February 7, 2017
6,380,689	\$0.05	June 16, 2020
7,365,689		

WARRANTS:

A summary of outstanding warrants as at January 31, 2016 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2014	29,577,142	\$0.07
Granted	-	-
Expired	(21,957,142)	\$0.09
Exercised	(504,000)	\$0.05
Balance, October 31, 2015	7,116,000	\$0.05
Granted	5,000,000	\$0.06
Expired	(120,000)	\$0.10
Exercised	(800,000)	\$0.05
Balance January 31, 2016	11,196,000	\$0.05

A summary of warrants granted as at January 31, 2016 is as follows:

Number of Warrants	Exercise Price	Expiry Date
4,696,000	\$0.05	December 30, 2016 ⁽¹⁾
1,500,000	\$0.05	January 3, 2017 ⁽¹⁾
5,000,000	\$0.06	December 21, 2018
11,196,000		

⁽¹⁾These warrants had their expiry extended by one year during the reporting period

RELATED PARTY TRANSACTIONS

During the reporting year, the Company incurred charges from directors and officers. The total related party transactions for the financial year is summarized as follows:

Key Management Compensation	Three month period ended January 31,	
	2016	2015
Retainers, wages and benefits	\$84,000	\$36,500
Share based payments	-	-
Expense reimbursement	1,605	-
Total	\$85,605	\$392,736

Services & reimbursement of expenses	Three month period ended January 31,	
	2016	2015
Company controlled by the CEO	\$ 45,000	\$ -
Company controlled by the CFO	30,000	27,500
Share based payments	-	-
Salaries and benefits (President)	9,000	9,000
Reimbursement of expenses	1,605	-

These transactions occurred during the normal course of operations.

RELATED PARTY LOANS

On January 28, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$10,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance of \$8,041.

On January 28, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of \$10,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$11,154.

On January 28, 2015, an Officer of the Company provided an unsecured loan to the Company in the amount of \$10,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$8,154.

On March 6, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$5,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$5,542.

On March 10, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of \$5,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$5,536.

On March 16, 2015, an Officer of the Company provided an unsecured loan to the Company in the amount of \$5,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$5,526.

On April 2, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$7,500, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$8,247.

On April 28, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$8,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$8,729.

On May 11, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of \$5,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$5,434.

On May 28, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$10,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$10,812.

On June 25, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$10,500, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$11,256.

On July 27, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$8,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$8,492.

On August 25, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$4,500, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$4,735.

On August 25, 2015, a Director of the Company provided an unsecured loan to the Company in the amount of \$4,500, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$4,735.

On September 30, 2015, a Director and Officer of the Company provided an unsecured loan to the Company in the amount of \$8,000, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$8,324.

On October 16, 2015, an Officer of the Company provided an unsecured loan to the Company in the amount of \$3,500, with an interest rate of 12%. As at January 31, 2016, the loan with accrued interest had a balance outstanding of \$3,623.

SUBSEQUENT EVENTS

The following announcements were made:

On February 16, 2016, the Company announced that they had signed two letters of intent to acquire two past producing hydrothermal lump vein graphite mines known as the Diamond Graphite mine and the Bell Graphite mine.

On February 23, 2016, the Company announced that the results from the most recent test from Western University demonstrated that the Company's graphene shows superconductivity with transition temperature around 250K, which is much higher than normal superconductivity materials.

APPROVAL

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

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

FORWARD LOOKING STATEMENTS

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

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

OTHER REQUIREMENTS

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