

MANGANESE X ENERGY CORP.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

(Expressed in Canadian dollars)

Contents

Management's responsibility	2
Independent auditors' report	3-4
Consolidated Statements of Financial Position	5
Consolidated Statements of Changes in Equity	6
Consolidated Statements of Comprehensive Loss	7
Consolidated Statements of Cash Flows	8
Notes to the Consolidated Financial Statements	9-25

MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Manganese X Energy Corp.:

Management is responsible for the preparation and presentation of the accompanying annual consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Audit Committee is composed of Directors who are neither management nor employees of the Company. The Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Corporation's external auditors.

Wasserman Ramsay, Chartered Professional Accountants has been appointed to audit the consolidated financial statements and their report follows. The external auditors have full and free access to, and meet periodically and separately with, the Board, the Audit Committee and management to discuss their audit findings.

July 25, 2019

/s/ Martin Kepman

Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Manganese X Energy Corp.:

Opinion

We have audited the consolidated financial statements of Manganese X Energy Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018, and the consolidated statements changes in equity, loss and comprehensive loss and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that for the year ended March 31, 2019 the Company incurred losses of \$1,204,963 and had an accumulated deficit of \$12,308,576 at year end. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS's, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

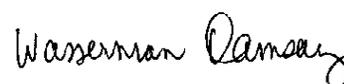
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Ramsay.



Markham, Ontario
July 25, 2019

Chartered Professional Accountants
Licensed Public Accountants

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at,	March 31, 2019	March 31, 2018
	\$	\$
ASSETS		
Current assets		
Cash & cash equivalents (note 7)	648 300	927 832
Cash - restricted flow-through funds (note 7)	179 245	262 700
Prepaid expenses	135 600	9 040
Sales taxes receivable	15 417	24 834
Total current assets	978 562	1 224 406
Long-term assets		
Investment in Mountain Springs Oil & Gas Ltd. (note 8)	750 000	-
Total current assets	1 728 562	1 224 406
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	169 873	93 633
Funds received on Private placement (note 18)	330 250	-
Amount owing on purchase of Mountain Springs Oil & Gas Ltd.	250 000	
Total Liabilities	750 123	93 633
SHAREHOLDERS' EQUITY		
Share capital (note 10)	9 930 370	8 713 584
Reserves	3 356 645	3 520 802
Deficit	(12 308 576)	(11 103 613)
Total shareholders' equity	978 439	1 130 773
Total liabilities & shareholders' equity	1 728 562	1 224 406

Going concern (Note 2) and subsequent events (Note 19)

The Company's board of directors approved these annual consolidated financial statements on July 25, 2019.

APPROVED BY THE BOARD OF DIRECTOR

Signed "Martin Kepman" Director

Signed "Mark Billings", Director

The accompanying notes form an integral part of the consolidated financial statements

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	SHARE CAPITAL		RESERVES	DEFICIT	TOTAL
	#	\$	\$	\$	\$
Balance, as at March 31, 2017	45 193 497	7 413 947	3 476 551	(9 764 366)	1 126 132
Acquisition of Houlton property	1 200 000	222 000	-	-	222 000
Private placements	5 285 000	651 569	141 181	-	792 750
Warrants exercised	1 572 117	277 647	(99 802)	-	177 845
Stock-options exercised	650 000	148 421	(57 422)	-	90 999
Stock options issued	-	-	60 294	-	60 294
Net loss for the period	-	-	-	(1 339 247)	(1 339 247)
Balance, as at March 31, 2018	53 900 614	8 713 584	3 520 802	(11 103 613)	1 130 773
Acquisition of Peter Lake property	833 333	125 000	34 000	-	159 000
Private placements	1 000 000	200 000	-	-	200 000
Acquisition of Houlton property	2 000 000	240 000	-	-	240 000
Warrants exercised	3 776 048	651 786	(246 200)	-	405 586
Stock options issued	-	-	48 043	-	48 043
Net loss for the period	-	-	-	(1 204 963)	(1 204 963)
Balance, as at March 31, 2019	61 509 995	9 930 370	3 356 645	(12 308 576)	978 439

The accompanying notes form an integral part of the consolidated financial statements

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the years ended,	March 31, 2019	March 31, 2018
	\$	\$
Revenues	-	-
Expenses		
Exploration expenses (note 11)	722 964	699 418
Foreign exchange loss	3 970	5 510
Stock-based compensation (note 10)	48 043	60 294
Operating expenses	90 126	211 858
Professional and consulting fees (note 12)	339 860	362 167
	1 204 963	1 339 247
Net loss and comprehensive loss	(1 204 963)	(1 339 247)
Loss per share - basic & diluted	(0,022)	(0,029)
Weighted average number of shares outstanding	56 088 403	46 911 434

The accompanying notes form an integral part of the consolidated financial statements

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended,	March 31, 2019 \$	March 31, 2018 \$
Cash used in operating activities		
Net loss for the period	(1 204 963)	(1 339 247)
<i>Adjustments for items not involving cash:</i>		
Stock-based compensation	48 043	60 294
Issuance of shares for property acquisition	365 000	222 000
Issuance of warrants for property acquisition	34 000	
<i>Changes in non-cash working capital items:</i>		
Receivables and other	9 417	88 731
Prepaid expenses	(126 560)	116 129
Accounts payable and accrued liabilities	76 240	(37 256)
Deposit on private placement	330 250	
	(468 573)	(889 349)
Cash used in investing activities		
Investment in Mountain Springs Oil & Gas Ltd (note 8)	(500 000)	-
	(500 000)	-
Cash flows from financing activities		
Proceeds from issue of shares (net)	605 586	1 061 595
	605 586	1 061 595
Increase (decrease) in cash and cash equivalents	(362 987)	172 246
Cash and cash equivalents, beginning of the period	1 190 532	1 018 286
Cash and cash equivalents, end of the period	827 545	1 190 532
Supplemental information:		
Cash & cash equivalents	648 300	927 832
Cash - restricted flow-through funds	179 245	262 700
Cash and cash equivalents, end of the period	827 545	1 190 532

The accompanying notes form an integral part of the consolidated financial statements

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

1. GENERAL INFORMATION

Manganese X Energy Corp. ("Manganese" or the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporation Act on December 4, 2007. On December 3, 2010, the Company changed its name from Numine to Sunset Cove Mining Inc. On December 1, 2016, the Company changed its name from Sunset Cove Mining Inc. to Manganese X Energy Corp. The principal activities of Manganese and its subsidiaries are to acquire and advance high potential mining prospects located in North America with the intent of supplying value added materials to the lithium ion battery and other alternative energy industries.

The Company's shares are listed under the symbol MN (formerly: SSM) on the TSX Venture Exchange. The registered office of the Company is located at 146 Bd. Brunswick, Pointe-Claire, Quebec, Canada.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on July 25, 2019.

2. GOING CONCERN DISCLOSURE

The business of mining exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Although Manganese has taken steps to verify title to the properties on which it is conducting exploration and has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims and non-compliance with regulatory requirements.

Several adverse conditions and events cast substantial doubt upon the validity of this assumption. Manganese is not currently generating any revenue from its operations. For the year ended March 31, 2019, the Company recorded a net comprehensive loss of \$1,204,963 (March 31, 2018 – \$1,339,247) and had an accumulated deficit of \$12,308,576 (March 31, 2018 - \$11,103,613).

Its ability to continue as a going concern is uncertain and is dependent upon its ability to fund its working capital, complete the development of its explorations, and eventually to generate positive cash flows from operations. Management plans to explore all alternatives possible, including joint ventures, debt and equity financings, and merger opportunities.

These consolidated 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.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

3. BASIS OF PRESENTATION

Statement of compliance

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and effective as of March 31, 2019. These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

The subsidiaries are fully consolidated from the date of acquisition and continue to be consolidated until the date control over the subsidiaries ceases. The annual consolidated financial statements of the Company include the accounts of its 100% wholly owned subsidiaries, 7712898 Canada Inc. located in Canada. All significant inter-company transactions and balances have been eliminated upon consolidation.

Investments subject to significant influence

Investments over which the Company exercises significant influence are accounted for using the equity method. The equity method is basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value, adjusted thereafter to include the investor’s pro rata share of post-acquisition earnings of the investee, as computed by the consolidation method. Profit distributions receivable from an investee reduce the carrying value of the investment.

Foreign operations

Assets and liabilities of foreign operations whose functional currency is other than the Canadian dollar are translated into Canadian dollars using exchange rates in effect at period-end. Revenues and expenses, as well as cash flows, are translated using the average exchange rates for the period. Translation gains or losses are recognized in OCI.

Functional and presentation currency

These annual consolidated financial statements are presented in Canadian dollars, which is Company’s functional currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

The Company adopted IFRS 9 as of April 1, 2018.

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the period in which they arise.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Company's accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

The Company has completed a detailed assessment of its financial instruments as of March 31, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9

	<u>IAS 39</u>	<u>IFRS 9</u>
Cash and cash equivalents and restricted cash	FVTPL	FVTPL
HST/QST receivable	Loans and receivable	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost

The adoption of this standard did not have a material impact on the Company's consolidated financial statements but resulted in certain additional disclosures. The carrying value and measurement of all financial instruments remains unchanged as of March 31, 2018 as a result of the adoption of the new standard.

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Fair value hierarchy

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:

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and restricted cash are valued at Level 1. Cash and restricted cash are recorded at fair value on the consolidated statement of financial position. The investment in MSOG has been valued at Level 3. Other than that, none of the Company's financial instruments are recorded at fair value on the consolidated statement of financial position. The fair values of financial instruments approximate their carrying values.

Cash and cash equivalents

Cash and cash equivalents consist of cash and cash equivalents with initial maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral claims. The Company follows the practice of expensing all costs relating to the acquisition of, exploration for, and development of mineral claims until the receipt of a feasibility study confirming the economic viability of the project. Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

Income taxes

The Company applies the liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future income tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, and for tax losses carried forward.

Deferred income tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect for the year in which the differences are expected to reverse. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, against which the deductible temporary differences and unused tax losses can be utilized.

Deferred income tax assets and liabilities are recognized directly in income, OCI or equity based on the classification of the item to which they relate.

Segment reporting

The Company currently operates in a single reportable operating segment – the development of mineral properties.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

The proceeds from the issue of the units is allocated between common shares and share purchase warrants on a pro-rata basis based on the relative fair values as follows: the fair value of the common share is based on the market closing price on the date the units are issued and fair value of the share purchase warrants is determined using the Black-Scholes Option Pricing Model.

Share capital issue costs

Share capital issue costs are applied to reduce the proceeds of share capital issued in the period they are incurred.

Share-based Compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and services providers. The board of directors generally grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized as an expense or charged to exploration and evaluation assets as appropriate, with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair value of the share purchase options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Basic and diluted loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense ("notional interest").

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
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Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

Investment in Mountain Springs Oil & Gas Ltd. (“MSOG”)

The investment in MSOG of 750,000 shares (representing a 15% interest) has been designated as a financial instrument carried at fair value with value changes recognized in other comprehensive income (“FVOCI”). The Company intention is to hold this investment long term.

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at March 31, 2019 and 2018 as the disturbance to date is minimal.

Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in note 5.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

5. SUMMARY OF ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. The estimates and judgments that, in managements' opinion, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Fair Value of Financial Instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

(ii) Impairment of non-financial assets

Exploration and evaluation properties are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration property may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company measures, presents and discloses any resulting impairment loss in accordance with IFRS.

Impairment is assessed by management using key impairment indicators of IFRS 6 - Exploration for and evaluation of mineral resources, such assessment is subject to uncertainty.

(iii) Share-based payment transactions

The Company measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 10.

(iv) Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(v) Restoration, rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental obligations is based on facts and circumstances that existed during the period. These facts and circumstances may be open to interpretation.

(vi) Carrying value of Exploration and Evaluation Properties

The carrying amount and recoverability of exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

6. ACCOUNTING PRONOUNCEMENTS

Accounting standard issued for adoption in future periods

The following standard have been issued but are not yet effective. The Company is assessing the impact of this new standard but does not expect it to have a significant impact on the consolidated financial statements.

- On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. There are optional exemptions for short-term leases and leases of low value items. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on April 1, 2019 and does not expect the adoption of IFRS 16 to have a material effect on its consolidated financial statements as the Company currently not subject to any leases.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	March 31, 2019	March 31, 2018
	\$	\$
Cash Canadian banks	648 300	927 832
Cash Canadian in-trust banks	179 245	262 700
	827 545	1 190 532

During the year, the Company raised in total \$200,000 (2018 \$1,092,965) in flow-through funds. Of this amount, \$179,24 (2018 - \$262,700) remains restricted to be spend on Canadian Exploration Expenditures as at March 31, 2019.

8. INVESTMENT IN MOUNTAIN SPRINGS OIL AND GAS LIMITED

On October 9, 2018, the Company purchased a 15% interest in Mountain Spring Oil and Gas Limited ("MSOG") a private company incorporated to invest in operating Oil and Gas properties in the province of Alberta, via a private placement of 750,000 shares at \$1 a share subscription price. The Company paid \$500,000 cash to MSOG with the balance of \$250,000 to be paid in either cash or common shares of the Company to be determined when MSOG completes its first acquisition. Should the final payment be made in shares of the Company, the number of shares to be issued will be determined by the price of shares when MSOG completes its first acquisition. In addition, upon completion of MSOG's first deal, the Company with Board approval, has an option to purchase of an additional 10% or 500,000 common shares of MSOG's at a \$1 a share subscription price. Should the Company complete this purchase it will have a grand total of 1,250,000 shares or 25% ownership of MSOG. At year-end, the fair value of MSOG approximates its net carrying value of \$500,000. Also, as of year-end the final \$250,000 payment for the 15% interest is still outstanding.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade payables as at March 31, 2019 are \$169,873 (March 31, 2018 - \$93,633). Accounts payable includes an amount of \$62,357 (March 31, 2018 - \$10,887) due to related parties (see Note 12).

10. SHARE CAPITAL

A Authorized share capital:

An unlimited number common share, without par value:

B Common Shares Issued

a) On February 20, 2018, Manganese announced the closing of a private placement with the issuance of 5,285,000 Units of the Company at \$0.15 for gross proceeds of \$792,750. With each Unit being comprised of one (1) common share and one (1) warrant, with each whole warrant giving the warrant-holder the right to purchase one (1) common share for \$0.25 expiring on February 20, 2020. There is a statutory hold period on the Units, which expires on June 20, 2018, being four months from closing. The total gross proceeds of this financing will be used for exploration, growth, research and development, marketing, and general working capital.

The fair value of the 5,285,000 Unit warrants at issue date was \$141,181, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.15; 60% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

b) A total of 1,572,117 warrants (March 31, 2017 - 6,662,204 warrants) were exercised during the year ended March 31, 2018, the Company issued 1,572,117 (March 31, 2017 - 6,662,204) common shares for warrants exercised.

c) A total of 650,000 stock options were exercised during the year ended March 31, 2018, the Company issued 650,000 common shares for stock options exercised.

d) On September 12, 2018, for the Peter Lake Copper-Nickel-Cobalt Property located in the Province of Québec, the Company has issued 833,333 common shares (see note 11) to the vendors and the finder's fee common shares as per the option agreement.

e) On November 19, 2018, the Company closed a tranche of a non-brokered private placement financing of flow-through shares for gross proceeds of \$200,000 through issuance of 1,000,000 flow-through shares in the share capital of the Company at \$0.20 per share.

f) On November 30, 2018, the Company issued 2,000,000 common shares (see note 11) representing the final tranche of shares required for the acquisition of the Battery Hill Houlton Woodstock Manganese property located in the top-tier global mining jurisdiction of New Brunswick, as per the original acquisition agreement.

g) A total of 3,776,050 warrants were exercised during the year ended March 31, 2019, the Company issued 3,776,050 common shares for warrants exercised.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

C Share purchase warrants

The movement in the number of warrants outstanding and their weighted average exercise prices are as follows:

	Warrants #	Weighted average exercise price \$
Balance – March 31, 2017	10 990 992	0.15
Private placement	5 285 000	0.25
Warrants exercised	(1 572 117)	0.08
Balance - March 31, 2018	14 703 875	0.20
Issued property acquisition	500 000	0.25
Warrants exercised	(689 850)	0.10
Warrants exercised	(3 073 000)	0.25
Warrants Expired	(150 400)	0.05
Warrants Expired	(932 300)	0.15
Balance - March 31, 2019	10 358 325	0.20

On January 31, 2019, the Company announced a re-priced for 9,672,000 warrants (excluding finders' warrants), as approved by the TSX Venture Exchange warrant incentive program. The following warrants with an original exercise price of 25 cents were eligible under this warrant incentive program: 4,387,000 warrants expiring in July 2019 and 5,285,000 warrants expiring in February 2020. The new exercise price of the warrants was 11 cents for 30 days expiring March 4th 2019. The exercise Warrant incentive program period for all 9,672,000 warrants was for 30 days starting from January 30, 2019. After March 4, 2019, the exercise price returned to their original exercise price. As at March 31, 2019, the outstanding share purchase warrants were as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
\$0,10	3 259 325	0,3	July 2019
\$0,25	1 314 000	0,3	July 2019
\$0,25	5 285 000	0,9	February 2020
\$0,25	500 000	1,5	September 2020
	10 358 325	0,6	

D Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. The option activity, under the share option plan and information concerning outstanding and exercisable options is as follows:

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

	No. of Options Vested	Weighted Average Exercise Price (\$)
Balance – March 31, 2017	3 750 000	0.17
Cancelled	(500 000)	0.22
Issuance	975 000	0.10
Issuance	950 000	0.20
Exercised	(650 000)	0.10
Balance – March 31, 2018	4 525 000	0.16
Issuance	800 000	0.12
Balance - March 31, 2019	5 325 000	0.15

- The fair value of the 975,000 stock options at the issue date (September 6, 2017) was \$26,075, calculated using the Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.09; 60% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%.
- The fair value of the 950,000 stock options at the issue date (March 09, 2018) was \$34,219, calculated using the Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.15; 60% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%.
- The fair value of the 800,000 stock options at the issue date (January 11, 2019) was \$48,043, calculated using the Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.115; 100% expected volatility; risk free interest rate of 2,50%; and an expected dividend yield of 0%.

Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants. As at March 31, 2019 stock option issued and outstanding are as follows:

Options granted and exercisable	Weighted Average Exercise Price (\$)	Expiry dates
1 050 000	0,15	September 2019
825 000	0,10	September 2019
200 000	0,15	November 2019
300 000	0,18	January 2020
400 000	0,21	February 2020
800 000	0,16	March 2020
950 000	0,20	March 2020
800 000	0,12	January 2021
5 325 000	0,15	

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

11. EXPLORATION PROPERTIES

Mineral exploration and evaluation expenses on the properties may be subject to exploration and/or mining restrictions. At the date of this report, management is not aware of any restrictions to its exploration activities.

Houlton Woodstock Manganese Property

On June 28, 2016, the Company announced that it will be entering into an option agreement with Globex Mining Enterprises. The Company having met certain conditions of a previously concluded agreement announced the conclusion of an option agreement for a manganese property in the province of New Brunswick. Pursuant to the agreement, it had agreed to issue up to 4 million shares of its share capital and pay up to \$200,000 in order to acquire a 100% interest in the property, details as follows:

- i) Pay \$200,000 in cash to the vendor as follows: \$100,000 on or before the 5th day after TSX-Venture Exchange acceptance of the Option agreement and \$100,000 on or before the date that is 12 months from the Effective date of the option agreement. The cash payments are a firm obligation and must be made even in the event the Company chooses not to complete the option agreement.
- ii) Issue 4,000,000 common shares as follows: 1,000,000 shares on or before the 5th day after TSX-Venture Exchange acceptance of the Option agreement; a further 1,000,000 shares on or before the 1st anniversary of the Effective date of the option agreement (these first two share issuances are a firm commitment); and a further 2,000,000 shares on or before the 2nd anniversary of the Effective date of the option agreement.
- iii) Spend \$1,000,000 in exploration expenditures on the property as follows: \$500,000 on or before the 1st anniversary of the Effective date of option agreement and an additional \$500,000 on or before the 2nd anniversary of the on or before the 2nd anniversary of the Effective date of the option agreement.

The Company made the first cash payment deposit of \$100,000 on April 28, 2016 and a final cash payment of \$100,000 on February 3, 2017. As at March 31, 2018, a total of 2,400,000 shares were issued as per the option agreement including 400,000 shares as finder's fees common shares. The Company made the first share payment of 1 million shares on December 4th 2016 and an additional second share payment of 1 million shares on April 22, 2017. On November 30, 2018 the Company issued the final tranche of shares required under the option agreed by issuing 2,000,000 common shares at a value of \$0.12 each for a total value of \$240,000 (see note 10) and now owns 100% of the claims subject to a 3% Gross Metals Royalty.

Peter Lake Copper-Nickel-Cobalt Property

On August 23, 2018, the Company signed a Property Option Agreement (the "Agreement") with a group in Vendors in Québec.(the "Vendors"). Pursuant to the terms of the Agreement, the Company has the option to acquire a 100% interest in the Property, set forth as follows:

- i) The Company will pay to the vendors, on signing of the agreement, \$10,000 cash and issue \$25,000 in common shares (20 day closing average exchange price).
- ii) On Exchange approval, the Company will pay to the vendors, \$15,000 cash and issue \$100,000 in common shares (20 day closing average exchange price) and issue 500,000 warrants at a price of \$0.25 for two years (with a four-month holding period).

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

- iii) The Company will incur exploration expenditures of \$150,000 on the property on or before December 31, 2018 to earn a 40% interest in the property. The Company has incurred exploration expenditures of \$150,000 on the property before December 31, 2018 and has earned a 40% interest in the property.
- iv) On December 31, 2019, Manganese will issue to the vendors \$100,000 in common shares (20 day closing average exchange price); and incur during 2019 a further \$250,000 in exploration expenditures to earn a 100% interest in the Property.
- v) An aggregate net smelter royalty ("NSR") of 2% shall be payable to the Vendors on all metals produced from the Property. The Company shall have the right at any time to buy back one percent (1%) of the NSR from the Vendors for one million dollars (\$1,000,000).

The Company made the first cash payment deposit of \$35,000 during the year and issued a total of 833,333 common shares and 500,000 warrants exercisable for a two year period at \$0.25 per share and valued at \$34,000 as per the option agreement at a value of \$0.15 each for a total value \$125,000 (per i and ii above) (see note 10).

12. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to share issuances, transactions with related parties were as follows:

For the year ended March 31,	2019	2018
	\$	\$
Management fees paid to a companies controlled by officers	83 500	83 000
Exploration expenditures paid to officers/directors	55 372	36 567
Stock-based compensation expense - directors and officers	30 027	28 189
	168 899	147 756

In addition to the above the following related party transactions also took place during the year. Legal fees of \$76,726 (March 31, 2018 - \$62,648) were paid or accrued to a legal firm in which the Company's Secretary is a partner. Of this total \$51,276 is included in accounts payable at year end.

Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

Included in the accounts payable and accrued liabilities	March 31, 2019	March 31, 2018
	\$	\$
Management fees due to a companies controlled by officers	6 071	1 724
Exploration expenditures due to directors	5 010	9 163
Owing to a legal firm in which the corporate secretary is a partner	51 276	-
	62 357	10 887

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

13. EARNINGS PER SHARE (“EPS”)

(a) Basic EPS

Basic EPS is computed by dividing net loss for a period by the weighted average number of common shares outstanding during that period.

(b) Diluted EPS

Diluted EPS is computed by dividing net loss for a period by the diluted number of common shares. Diluted common shares includes the effects of instruments, such as share options, which could cause the number of common shares outstanding to increase.

The Company reported net losses for the periods ended March 31, 2019 and 2018; the Company has accordingly presented basic and diluted EPS, which are the same, on a single line in the statements of comprehensive loss. Diluted loss per share did not include the effect of share purchase options and warrants as they were anti-dilutive

14. SEGMENTATION INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral property interests and in Canada only since the disposal of its subsidiary in Peru in the prior fiscal year.

15. CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration and development of mineral property interests. Management has not established a quantitative capital structure. Capital needs are reviewed on a regular basis by management relative to the stage of development of the business entity.

The Company currently is dependent on externally provided equity financing to fund its future exploration activities. In order to carry out planned exploration and development and fund administrative costs, the Company will allocate its existing capital and plans to raise additional amounts as needed through equity and related party advances if available management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable for the current state of the markets and exploration industry.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 12 months. As of March 31, 2019, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

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 years.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

16. INCOME TAXES

	March 31, 2019	March 31, 2018
Loss before income taxes	(1,204 963)	(1,339,247)
Statutory tax rate	27.0%	27.0%
Expected tax recovery	(325,000)	(362,000)
Permanent differences	192,000	-
Change in deferred tax assets not recognized	133,000	362,000
Income taxes	-	-

The Company has operating losses and other costs which are being carried forward and which can reduce future income taxable income. The components of the net future income tax assets (liabilities) were as follows:

	March 31, 2019	March 31, 2018
Non capital losses	1,756,000	1,622,500
Mineral properties	381,000	257,000
Deferred tax assets not recognized	(2,137,000)	(1,879,500)
Net deferred income tax assets recognized	-	-

As at March 31, 2018 the Company had cumulative Canadian operating losses of approximately \$6,368,500 (2018 - \$5,735,000) which has not been recognized and will expire if unused as noted below:

Expiry	\$
2030	502 000
2031	526 000
2032	1 419 000
2033	1 309 000
2034	1 129 000
2035	187 000
2036	50 500
2037	118 000
2038	633 000
2039	495 000
	6 368 500

17. FINANCIAL INSTRUMENTS

At March 31, 2019, the Company's financial instruments include cash and cash equivalents, other receivable, related party receivables, accounts payable and loan payable for which there are no differences in the carrying values and fair values, due to their short-term nature. The types of risk exposures are detailed below.

The Company is required to classify fair value measurements using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

Cash and cash equivalents are measured using Level 1 inputs the warrant liability is measured using Level 2 inputs and the fair value of the investment in MSOG (note 8) is measured using Level 2 inputs.

18. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow and fair value interest rate risk); credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments to hedge these risks.

Market risk

Foreign exchange risk: the Company's conducts a small portion of its business using \$US dollars and is therefore exposed to a nominal amount of financial risks that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. The company recorded a foreign exchange loss of \$3,970 related to its foreign currency transactions for year ended March 31, 2019.

Cash flow and fair value interest rate risk: the Company is expose to fluctuation in its future cash flows arising from changes in interest rates through its variable rate financial assets and liabilities. Other liabilities negotiated at a fixed rate expose the Company to fair value interest rate risk. The Company does not hold any interest-bearing debt.

Commodity price risk: while the value of the Company's core mineral resource is related to the price of precious metals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect of its operational activities. Precious metal prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors. Adverse movements in the prices of precious metals may also negatively affect the Company's ability to raise capital and meet its financial commitments.

Credit risk

Credit risk arises from cash with banks and financial institutions. The Company reduces this risk by dealing with creditworthy financial institutions. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash, and receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuance. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The liquidity risk for the Company is considered high.

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2019 AND 2018
(Expressed in Canadian dollars)

19. SUBSEQUENT EVENTS

On April 10, 2019, the Company announced the closing of a non-brokered private placement of 4,150,000 units at a price of \$0.12 for gross proceeds of \$497,500. Each unit being comprised of one common share and one common share purchase warrant. Each warrant entitling the holder thereof to acquire one further common share at a price of \$0.145 per common share, for a period of three (3) years following the closing date. In connection with the offering, Martin Kepman, an insider of the Company, has subscribed for 200,000 units. Of the total offering of \$487,500, \$330,250 was received prior to year end and prior to closing of the offering.

On April 24, 2019, Manganese incorporated a wholly-owned subsidiary called Disruptive Battery Corp. The new company was created for a project to be undertaken related to manganese, fuel cells and stored energy.

On July 11, 2019, the Company entered into an agreement to acquire 100% of a graphite property in Quebec known as the Lac Aux Bouleax Property. The price is \$50,000 in total, \$10,000 in cash and issuing 307,000 shares valued at \$40,000. The property is subject to a 2% NSR royalty.