

MANGANESE X ENERGY CORP.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

Manganese X Energy Corp. (the “Company”)
145 Rue Gravekine
Saint Laurent, Quebec, H4T 1R3

Item 2: Date of Material Change

December 22, 2020.

Item 3: News Release

A news release was issued and disseminated on December 23, 2020 and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule “A”.

Item 4: Summary of Material Change

The Company announced that it has entered into an arrangement agreement with its wholly-owned subsidiary, Graphano Energy Ltd. (“**Graphano**”), to spin out its Lac Aux Bouleaux graphite property, located in the province of Quebec. The Company also announced that Graphano completed a private placement of subscription receipts on December 22, 2020, for aggregate gross proceeds of \$2,721,707, at a price of \$0.05 per subscription receipt.

Item 5.1: Full Description of Material Change

See attached news release at Schedule “A” to this report.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Martin Kepman
CEO and Director
E: martin@kepman.com T: 1-514-802-1814

Item 9: Date of Report

This report is dated as of the 23rd day of December, 2020.

SCHEDULE “A”

MANGANESE X ANNOUNCES ARRANGEMENT AGREEMENT TO COMPLETE SPIN-OUT OF LAC AUX BOULEAUX GRAPHITE PROPERTY, AND COMPLETION OF GRAPHANO PRIVATE PLACEMENT

Montréal, Québec -- December 23, 2020 -- Manganese X Energy Corp. (TSXV: MN) (FSE: 9SC2) (OTC Pink: MNXXF) (“**Manganese X**” or the “**Company**”) is pleased to announce that it has entered into an arrangement agreement (the “**Arrangement Agreement**”) with its wholly-owned subsidiary, Graphano Energy Ltd. (“**Graphano**”), to spin out its Lac Aux Bouleaux graphite property, located in the province of Quebec (the “**LAB Graphite Property**”). Further, the Company is pleased to announce that, in connection with the Arrangement (as defined below), Graphano completed a private placement of subscription receipts (“**Subscription Receipts**”) on December 22, 2020, for aggregate gross proceeds of \$2,721,707, at a price of \$0.05 per Subscription Receipt (the “**Graphano Private Placement**”). Details of the Graphano Private Placement are described below.

The Arrangement is expected to result in the creation of Graphano as an independent public company, which will initially be focused on the exploration of the LAB Graphite Property for graphite moving forward. Graphano is expected to have the ability to source its own funding independent of the Company.

Plan of Arrangement

The transactions contemplated by the Arrangement Agreement (collectively, the “**Arrangement**”) will be completed as a statutory plan of arrangement (the “**Plan of Arrangement**”) under the *Business Corporations Act* (British Columbia). Under the Plan of Arrangement, shareholders of the Company (the “**Shareholders**”) are expected to receive, in exchange for each common share of the Company (each, a “**Common Share**”) (i) one new common share of the Company (having identical terms as the Common Shares) (“**New Common Shares**”), and (ii) 0.125 of a common share in the capital of Graphano (each, a “**Graphano Share**”).

Following completion of the Arrangement, Graphano will cease to be a wholly-owned subsidiary of the Company. The Company will continue to focus on the exploration and development of its Battery Hill Manganese and Peter Lake Copper-Nickel-Cobalt-Gold-Silver projects in New Brunswick and Quebec, respectively, following completion of the Arrangement, while Graphano is expected to focus on the exploration and development of the LAB Graphite Property as an independent public company. The shareholders of the Company (“**Shareholders**”) as of the Share Distribution Date (as defined below) will be able to participate in the value associated with the development, operation, and growth of the respective business of each entity.

The Company intends to apply to the Supreme Court of British Columbia for an interim order to hold a special meeting (the “**Meeting**”) of the **Shareholders** to approve the Arrangement in calendar Q1, 2021. In connection with the Arrangement, Graphano also intends to apply to list the Graphano Shares on the TSX Venture Exchange (the “**Exchange**”).

The foregoing description is qualified in its entirety by reference to the full text of the Plan of Arrangement, attached as an exhibit to the Arrangement Agreement, which will be filed on SEDAR under the Company’s profile, on or before December 28, 2020. The Arrangement is subject to various customary closing conditions, including among others, the approval of the British Columbia Supreme Court, the Shareholders, and the Exchange. There can be no assurance that such approvals will be obtained, that the Arrangement and the conversion of the Subscription Receipts issued under the Graphano Private Placement will be completed on the terms contemplated, or at all, or that the Graphano Shares will be successfully listed on the Exchange. As of the date hereof, Graphano has not submitted any application for listing the Graphano Shares to the Exchange. Any listing of the Graphano Shares on the Exchange is subject to Graphano fulfilling all of *the listing requirements of the Exchange*.

Graphano Private Placement

In connection with the Arrangement, Graphano completed the Graphano Private Placement on December 22, 2020 (the “**Closing Date**”), for aggregate gross proceeds of \$2,721,707, at a price of \$0.05 per Subscription Receipt. Each

Subscription Receipt will entitle the holder thereof to receive, upon conversion and without any further action on the part of such holder or payment of any additional consideration, one unit of Graphano (a “**Unit**”), with each Unit comprised of one (1) Graphano Share and one common share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one (1) Graphano Share at an anticipated exercise price of \$0.08 per Graphano Share, for an exercise period of two years. The conversion of the Subscription Receipts is subject to the satisfaction or waiver of certain customary escrow release conditions (the “**Escrow Release Conditions**”), including the closing of the Arrangement and the listing of the Graphano Shares on the Exchange, on or prior to June 30, 2021 (the “**Outside Date**”).

The gross proceeds of the Graphano Private Placement less certain less an expenses (the “**Escrowed Proceeds**”), are held in escrow on behalf of the subscribers in the Graphano Private Placement by Garfinkle Biderman LLP, as escrow agent for the Subscription Receipts (the “**Subscription Receipt Agent**”), and is expected to be invested in an interest-bearing account pursuant to the terms and conditions of the subscription receipt agreement entered into in connection with the Graphano Private Placement. Upon the satisfaction or waiver of the Escrow Release Conditions, the **Escrowed Proceeds** will be released to Graphano. Upon receipt thereof, Graphano is expected to use the **Escrowed Proceeds** to fund the exploration of the LAB Graphite Property and general working capital (including, potential future acquisitions). In the event that the Escrow Release Conditions are not satisfied prior to the Outside Date, the Escrowed Proceeds will be returned *pro rata* to each holder of Subscription Receipts, and the Subscription Receipts will be automatically cancelled, void and of no value or effect.

The Subscription Receipts and the Graphano Shares and Warrants issuable in exchange for the Subscription Receipts are subject to a four-month statutory hold period expiring four months and one day from the Closing Date.

Further Information

Further details of the Arrangement, including, without limitation, the Meeting (including the date and time thereof, and the Shareholders entitled to vote thereat), and the record date for determining the Shareholders entitled to receive the securities being distributed under the Plan of Arrangement, will be provided in due course, including in the management information circular (the “**Circular**”) to be prepared by the Company for delivery to the Shareholders in connection with the Meeting. Shareholders of the Company are urged to carefully read the Circular, once made available under the Company’s profile on SEDAR at www.sedar.com, as it will contain additional important information concerning the Arrangement.

For details pertaining to the Lab Graphite Property, please see the Company’s press release dated March 17, 2020, as well as the technical report dated February 18, 2020 in respect of the LAB Graphite Property (the “**Technical Report**”), available on the Company’s profile on SEDAR at www.sedar.com.

About Manganese X

Manganese X’s mission is to expand its existing high potential manganese mining holdings with additional sites located in North America with the intent of supplying value added materials to the lithium ion battery and other alternative energy industries. In addition, Manganese X is striving to achieve new methodologies emanating from environmentally and geographically ethical and friendly green/zero emissions technologies, while processing manganese at a lower competitive cost. In addition, through its subsidiary Disruptive Battery Corp., Manganese X is developing an HVAC delivery system for cleaner and healthier air that also provide proprietary and specialized solutions, including safe disinfectants to respond to the COVID-19 Pandemic crisis and overall deal with a major range of air quality problems.

For more information visit our website at www.manganesexenergycorp.com.

On Behalf of the Board of Directors

Martin Kepman
CEO and Director
E-mail: martin@kepman.com
Telephone: 1-514-802-1814

Cautionary Notes

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Certain information in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Such forward-looking statements include, but are not limited to, the Company's expectations about (i) the value of, and benefits associated with, the Arrangement, to the Company and the Shareholders, (ii) the terms, and timing for the completion of, the Arrangement and the conversion of the Subscription Receipts issued under the Graphano Private Placement, (iii) the timing of the Meeting to approve the Arrangement, and (iv) the listing of the Graphano Shares on the Exchange.

Forward-looking statements necessarily involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including, without limitation, risks relating to (i) the social and economic impacts of the COVID-19 pandemic, (ii) the Company's dependence on management and the loss of key personnel, (iii) conflicts of interest, (iv) the receipt of the requisite shareholder, court, regulatory and stock exchange approvals in connection with the Arrangement and/or the Graphano Private Placement, and the listing of the Graphano Shares on the Exchange, as applicable, (v) changes in value of the LAB Graphite Property, and (vi) the Company's business, including the mining industry in general, as described in the Company's public filings on SEDAR, which readers are encouraged to review in detail prior to any transaction involving the securities of the Company. The foregoing list is not intended to be exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Readers are further cautioned that the assumptions used in the preparation of such forward-looking statements (including, but not limited to, the assumption that (i) the Company and Graphano will satisfy, in a timely manner, all conditions precedent to completion of the Arrangement, the Graphano Private Placement, and the proposed listing of the Graphano Shares on the Exchange (including receipt of all necessary regulatory and shareholder approvals), (ii) all necessary regulatory and shareholder approvals will be obtained in a timely manner, and on terms acceptable to the Company, (iii) the circumstances surrounding the COVID-19 pandemic, although evolving, will stabilize and will not materially impede or affect the ability of the Company to consummate the Arrangement, and (iv) current and future economic conditions will neither affect the business and operations of the Company nor the Company's ability to capitalize on anticipated value in and benefits of the Arrangement), although considered reasonable by management of the Company at the time of preparation, may prove to be imprecise and result in actual results differing materially from those anticipated, and as such, undue reliance should not be placed on forward-looking statements.

The forward-looking statements included in this press release are made as of the date of this press release and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws. Forward-looking statements, forward-looking financial information and other metrics presented herein are not intended as guidance or projections for the periods referenced herein or any future periods, and in particular, past performance is not an indicator of future results and the results of the Company in this press release may not be indicative of, and are not an estimate, forecast or projection of the Company's future results. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The securities proposed to be issued under the Arrangement have not been and will not be registered under the U.S. Securities Act of 1933, and may not be offered or sold in the United States absent registration or applicable exemption from registration requirements. It is anticipated that any securities to be issued under the Arrangement will be offered and issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act of 1933 provided by Section 3(a)(10) thereof.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy or sell, any securities (including any securities of the Company or Graphano), and may not be relied upon in connection with the purchase or sale of any such security.

Not for distribution to United States newswire services or for dissemination in the United States.