

MANGANESE X ENERGY CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS-PERIOD ENDED SEPTEMBER 30, 2020

UNAUDITED

(Expressed in Canadian dollars)

Contents

Interim Consolidated Financial Statements

Non-auditor involvement	2
Interim Condensed Consolidated Statements of Financial Position	3
Interim Condensed Consolidated Statements of Changes in Deficiency	4
Interim Condensed Consolidated Statements of Comprehensive Loss	5
Interim Condensed Consolidated Statements of Cash Flows	6
Notes to the Interim Condensed Consolidated Financial Statements	7-17

Notice of Disclosure of Non-auditor review of the Interim Condensed Consolidated Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company for the interim periods ended September 30, 2020 and 2019 have been prepared in accordance with international accounting standards for interim financial reporting under IAS 34. The accompanying unaudited interim condensed consolidated financial statements are the responsibility of the Company's management.

The Company's independent auditors, Wasserman Ramsay, Chartered Accountants, have not performed a review of these interim financial statements in accordance with the standards established for a review of interim financial statements by an entity's auditor.

November 30, 2020

/s/ "Martin Kepman"

Chief Executive Officer

MANGANESE X ENERGY CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited, expressed in Canadian dollars)

As at,	September 30, 2020	March 31, 2020 (Audited)
	\$	\$
ASSETS		
Current assets		
Cash & cash equivalents (note 7)	2,347,268	534,537
Prepaid expenses	176,962	-
Sales taxes receivable	82,975	39,804
Total current assets	2,607,204	574,341
Long-term assets		
Investment in Mountain Spring Oil & Gas Ltd (note 8)	200,000	500,000
US Patent (note 9)	345,000	-
Total assets	3,152,204	1,074,341
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	96,821	128,801
Total liabilities	96,821	128,801
SHAREHOLDERS' EQUITY		
Share capital (note 11)	12,920,324	10,386,159
Reserves	4,988,807	3,790,574
Deficit	(14,853,748)	(13,231,193)
Total shareholders' equity	3,055,383	945,540
Total liabilities & shareholders' equity	3,152,204	1,074,341

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

The Company's board of directors approved the interim condensed consolidated financial statements on November 27, 2020.

APPROVED BY THE BOARD OF DIRECTOR

Signed "Martin Kepman" Director

Signed "Jay Richardson" Director

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

MANGANESE X ENERGY CORP.
INTERIM CONDESED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

	SHARE CAPITAL		RESERVES	DEFICIT	TOTAL
	#	\$	\$	\$	\$
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
Private placements	4,150,000	203,113	294,387	-	497,500
Stock options exercised	100,000	18,005	(6,005)	-	12,000
Acquisition of Lac Aux Bouleaux property	307,000	36,840	-	-	36,840
Warrants exercised	1,497,850	197,831	(49,531)	-	148,300
Stock options issued	-	-	195,078	-	195,078
Net loss for the period	-	-	-	(922,617)	(922,617)
Balance, as at March 31, 2020	67,564,845	10,386,159	3,790,574	(13,231,193)	945,540
Acquisition of US Patent	1,500,000	150,000	-	-	150,000
Issuance of shares	100,000	12,000	-	-	12,000
Stock options issued	-	-	20,239	-	20,239
Net loss for the period	-	-	-	(478,519)	(478,519)
Balance, as at June 30, 2020	69,164,845	10,548,159	3,810,813	(13,709,712)	649,260
Private placements	24,999,145	1,149,942	786,924	-	1,936,866
Stock options issued	-	-	822,143	-	822,143
Warrants exercised	3,950,000	852,949	(280,199)	-	572,750
Stock options exercised	1,820,000	369,274	(150,874)	-	218,400
Net loss for the period	-	-	-	(1,144,036)	(1,144,036)
Balance, as at Sep 30, 2020	99,933,990	12,920,324	4,988,807	(14,853,748)	3,055,384

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

MANGANESE X ENERGY CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

For the periods ended September 30,	Three months ended		Six months ended	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenues	-	-	-	-
Expenses				
Exploration expenses (note 12)	94,733	97,446	116,152	121,085
Foreign exchange loss	1,194	3,443	1,762	3,443
Stock-based compensation (note 11)	822,143	176,093	842,382	176,093
Operating expenses	148,221	58,208	177,563	87,850
Provision for loss on investment (note 8)	-	-	300,000	-
Professional and consulting fees	77,745	83,416	184,696	163,451
	1,144,036	418,606	1,622,554	551,922
Net loss and comprehensive loss	(1,144,036)	(418,606)	(1,622,554)	(551,922)
Loss per share - basic & diluted	(0.015)	(0.006)	(0.022)	(0.008)
Weighted average number of shares outstandi	78,037,293	67,564,845	73,631,868	67,564,845

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

MANGANESE X ENERGY CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

For the six months period ended,	September 30, 2020	September 30, 2019
	\$	\$
Cash used in operating activities		
Net loss for the period	(1,622,554)	(551,922)
<i>Adjustments for items not involving cash:</i>		
Stock based compensation	842,382	176,093
Provision for loss on investment	300,000	-
Issuance of shares to a consultant	12,000	-
Issuance of shares for property acquisition	-	36,840
<i>Changes in non-cash working capital items:</i>		
Receivables and other	(43,171)	(1,242)
Prepaid expenses	(176,962)	94,737
Accounts payable and accrued liabilities	(31,980)	(106,768)
	(720,286)	(352,262)
Cash used in investing activities		
Investment in US Patent	(345,000)	-
	(345,000)	-
Cash flows from financing activities		
Proceeds from issue of shares (net)	2,086,866	344,014
Warrants exercised	572,750	-
Options exercised	218,400	-
	2,878,016	344,014
Increase (decrease) in cash and cash equivalents	1,812,731	(8,248)
Cash and cash equivalents, beginning of the period	534,537	827,545
Cash and cash equivalents, end of the period	2,347,268	819,297
Supplemental information:		
Cash & cash equivalents	2,347,268	714,297
Cash - restricted flow-through funds	-	105,000
Cash and cash equivalents, end of the period	2,347,268	819,297

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

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

1. GENERAL INFORMATION

Manganese X Energy Corp. ("Manganese", "MN" 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 and 9SC2 on the Frankfurt Exchange and MNXXF on the Over-the-Counter market in the United States. The registered office of the Company is located at 146 Bd. Brunswick, Pointe-Claire, Quebec, Canada.

These unaudited interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 27, 2020.

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.

The ability of the Company 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.

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 six-months period ended September 30, 2020, the Company recorded a net comprehensive loss of \$1,622,554 (September 30, 2019 - \$551,922), and had an accumulated deficit of \$14,853,748 (March 31, 2020 - \$13,231,193).

These interim condensed 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

3. BASIS OF PRESENTATION

Statement of compliance

These interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The management in accordance with IAS 34, Interim Financial Reporting, effective as of September 30, 2020, has prepared these interim condensed consolidated financial statements of the Company.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the six-months period ended September 30, 2020 may not be indicative of the results that may be expected for the year ending March 31, 2021. These interim condensed consolidated financial statements of the Company have been prepared using historical costs and fair values of certain items. Items measured at fair value include cash held in foreign currencies, warrants, and share based payments. Certain comparative figures have been reclassified to conform to the current year's presentation.

Basis of consolidation

The subsidiaries are fully consolidated from the date of acquisition and continue to be consolidated until the date control over the subsidiary's ceases. The interim consolidated financial statements of the Company include the accounts of its 100% wholly owned subsidiaries, 7712898 Canada Inc. and Disruptive Battery Corp. both 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 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. There are no investments in this category presently.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is Company's functional currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Readers should refer to the March 31, 2020 annual audited consolidated financial statements for the accounting policies used in the preparation of these interim condensed consolidated financial statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway.

Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at March 31, 2021. In the event that accounting policies adopted at March 31, 2021 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements would be restated retrospectively to account for the application of those policies adopted at March 31, 2021.

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

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

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 management's opinion, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are disclosed in the annual audited consolidated financial statements.

See annual consolidated financial statements for the years ended March 31, 2020 and 2019 for a list of accounting estimates and judgements considered significant by management.

6. ACCOUNTING PRONOUNCEMENTS

Future accounting changes

Information on new standards, amendments and interpretations that are expected to be relevant to these interim condensed consolidated financial statements is provided in the Company's annual consolidated financial statements for the year ended March 31, 2020. Certain other amendments and interpretations have been issued but had no material impact on the Company's interim condensed consolidated financial statements ended September 30, 2020.

See annual consolidated financial statements for the years ended March 31, 2020 and 2019 for a list of accounting pronouncements.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at September 30, 2020, in Canadian dollars, are \$2,347,269 (March 31, 2020 - \$534,537). During the current period, the Company raised \$Nil in flow-through funds and \$Nil remains restricted to be spent on Canadian Exploration Expenditures as at September 30, 2020.

8. INVESTMENT IN MOUNTAIN SPRING 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 completed its first acquisition. Should the final payment be made in shares of the Company, the number of shares to be issued would be determined by the price of MN's shares when MSOG completes its first acquisition. In addition, upon completion of MSOG's first deal, the Company with Board approval, had an option to purchase an additional 10% or 500,000 common shares of MSOG at a \$1 a share subscription price. At year-end, March 31, 2020, the fair value of MSOG approximated its net carrying value of \$500,000. MN has been trying to settle litigation that it has instituted for the recovery of its investment owing to certain failures by MSOG. At September 30, 2020, the fair value of MSOG approximates its net carrying value of \$200,000 reflecting the Provision of \$300,000 as referred to in the second quarter financial statements' Note 19, Subsequent Events.

9. US PATENT

On April 30, 2020, the Company acquired by way of a definitive agreement, a US patent for a system and method for air quality disinfection, sterilization and deodorization. Additional tests were conducted on an eleven-story apartment complex in the Toronto area treating extensive airborne bacillus bacteria as well as bacillus and E. Coli bacteria on the surface. In both cases, pre-treatment bacteria levels were TNTC or too numerous to count. Laboratory results following the treatment show no bacillus counts in the air with only a few bacteria counts on the surface, indicating significant efficacy of the treatment. The acquisition of this patent will add new technology to

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

the Company's Disruptive Battery Corp. ("DBC") subsidiary. It is intended DBC will work in partnership with universities, chemical labs and global HVAC companies and experts in the field of environmental science. The terms of the acquisition were 1.5 million shares at a value of \$0.10 each (\$150,000) plus a 2% royalty on future sales by DBC deriving from the patent. DBC has the option to repurchase 1/2 of the royalty for the sum of \$250,000. See Subsequent Events Note 19. \$195,000 has been capitalised being professional fees for obtaining US patent.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade payables as at September 30, 2020 are \$94,901 (March 31, 2020 - \$128,801). Accounts payable includes an amount of \$2,652 (March 31, 2020 - \$53,572) due to related parties (see Note 13).

11. SHARE CAPITAL

A Authorized share capital:

An unlimited number common share, without par value.

B Common Shares Issued

- a) On April 10, 2019, Manganese closed a private placement with the issuance of 4,150,000 Units of the Company at \$0.12 for gross proceeds of \$497,500 (\$330,250 of the cash for this placement was received in 2019). 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 \$0.145 expiring on April 10, 2022. The fair value of the 4,150,000 Unit warrants at issue date was \$294,387, as calculated using a Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.12; 112% 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.

On September 3, 2020, Manganese announced the closing of a private placement with the issuance of 24,999,145 Units of the Company at 8 cents for gross proceeds of \$2,000,000, with each Unit being comprised of one (1) common share and one (1) warrant giving the warrant-holder the right to purchase one (1) common share for 15 cents expiring on September 3, 2023. In connection with the private placement the Company paid finder's fees an aggregate of \$20,160 and issued compensation warrants for 172,000 common shares at \$0.15 per share for three (3) years from closing. All securities issued pursuant to the financing are subject to a four-month hold period. The total gross proceeds of this financing are anticipated to be used for metallurgy and drilling at the company's Woodstock Battery Hill manganese project, costs associated with the planned spinout of the company's Lac Aux Bouleaux graphite property, marketing and investor relations, and general working capital. The fair value of the 24,999,145 warrants at issue date was \$1,223,914, as calculated using a Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.08; 121.87% expected volatility; risk free interest rate of 0.26%; 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. The allocation of the total proceeds to share capital and warrant reserve was effected by pro-rating the current trading value of the shares with the Black-Scholes calculated value of the warrants over the total purchase consideration.

- b) A total of 1,497,850 warrants were exercised during the year ended March 31, 2020; the Company issued 1,497,850 common shares for warrants exercised and \$148,300 was received. A total of 3,950,000 warrants were exercised during the six-months period ended September 30, 2020 and \$572,750 were received.

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

- c) A total of 100,000 stock-options were exercised during the three-months period ended June 30, 2019 and the Company issued 100,000 common shares accordingly. \$12,000 was received

Additionally, 1,820,000 stock-options were exercised during the three months period ended September 30, 2020, in consideration of which \$218,400 was received.

- d) On July 18, 2019, for the Lac Aux Bouleaux Property located in the Province of Québec, the Company has issued 307,000 common shares (see note 12) to the vendors as per the purchase agreement for a value of \$36,840.
- e) On April 30, 2020, for the acquisition for DBC of a US patent for a system and method for air quality disinfection, sterilization and deodorization the Company has issued 1,500,000 common shares (see note 9) with a stated value of \$150,000.
- f) On May 19, 2020, the Company has issued 100,000 common shares at a deemed price of 12 cents per share to an arm's length consultant pursuant to a consulting agreement under which services were provided from December 1, 2019 to the date thereof.

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, 2018	14,703,875	0.20
Re: 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
Re: Private Placement	4,150,000	0.145
Warrants exercised	(1,497,850)	0.12
Warrants expired	(1,911,475)	0.10
Warrants expired	(6,449,000)	0.25
Balance - March 31, 2020	4,650,000	0.16
No transactions	-	-
Balance - June 30, 2020	4,650,000	0.16
Re: Private Placement	24,999,145	0.15
Warrant issued	172,000	0.15
Warrants expired	(500,000)	0.25
Warrants exercised	(3,950,000)	0.145
Balance - Sep 30, 2020	25,371,145	0.15

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

The fair value of the 4,150,000 Unit warrants issued during the first quarter was \$294,387, as calculated using a Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.12; strike price of \$.0.145; 112% expected volatility; risk free interest rate of 1.43%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over an historic period equal to the expected life of the warrants.

The fair value of the 24,999,145 warrants at issue date was \$1,223,914, as calculated using a Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.08; 121.87% expected volatility; risk free interest rate of 0.26%; 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. The allocation of the total proceeds to share capital and warrant reserve was effected by pro-rating the current trading value of the shares with the Black-Scholes calculated value of the warrants over the total purchase consideration.

The fair value of the 172,000 Units warrants issued with a strike price of \$.15 during the second quarter was \$27,636, as calculated using a Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.21; strike price of \$.0.15; 124.51% expected volatility; risk free interest rate of 0.25%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over an historic period equal to the expected life of the warrants.

As at September 30, 2020, the outstanding share purchase warrants were as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
\$0.145	200,000	1.8	April 2022
\$0.150	24,999,145	3.0	Sep 2023
\$0.150	172,000	3.0	Sep 2023
	25,371,145	3.8	

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, not less than the previous day's Closing Price, 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

	No. of Options Vested	Weighted Average Exercise Price (\$)
Balance – March 31, 2018	4,525,000	0.16
Options issued	800,000	0.12
Balance – March 31, 2019	5,325,000	0.15
Options issued	1,950,000	0.12
Options exercised	(100,000)	0.12
Options expired	(825,000)	0.10
Options expired	(1,250,000)	0.15
Options expired	(800,000)	0.16
Options expired	(300,000)	0.18
Options expired	(950,000)	0.20
Options expired	(400,000)	0.21
Balance - March 31, 2020	2,650,000	0.12
Options issued	300,000	0.12
Balance - June 30, 2020	2,950,000	0.12
Options issued	2,100,000	0.24
Options issued	700,000	0.86
Options exercised	(1,820,000)	0.12
Balance - Sep 30, 2020	3,930,000	0.32

The fair value of the 1,950,000 stock options at the issue date (September 11, 2019) was \$195,078, calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price and strike price of \$0.12; 122% expected volatility; risk free interest rate of 1.43%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over an historic period equal to the expected life of the warrants.

The fair value of the 300,000 stock options at the issue date (May 19, 2020) was \$20,239, calculated using the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price and strike price of \$0.10; 120% expected volatility; risk free interest rate of 0.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over an historic period equal to the expected life of the warrants.

The fair value of the 2,100,000 stock options at the issue date (September 4, 2020) was \$376,828, calculated using the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price and strike price of \$0.24; 125.22% expected volatility; risk free interest rate of 0.28%; and an expected dividend yield of 0%.

The fair value of the 700,000 stock options at the issue date (September 15, 2020) was \$445,315 calculated using the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price and strike price of \$0.86; 129.7% expected volatility; risk free interest rate of 0.27%; and an expected dividend yield of 0%.

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

As at September 30, 2020 stock options issued and outstanding are as follows:

Options granted and exercisable	Weighted Average Exercise Price (\$)	Expiry dates
330,000	0.12	January 2021
600,000	0.12	September 2024
200,000	0.12	May 2023
2,100,000	0.24	September 2023
700,000	0.86	September 2023
3,930,000	0.32	

12. 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. The company writes off to expense all of its expenditure on acquisition and exploration of all of its exploration properties. It does separately track such expenditures by property and kind of expenditure.

Houlton Woodstock Manganese Property

On June 28, 2016, the Company announced that it would 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 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 the option agreement and an additional \$500,000 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 11) and now owns 100% of the claims subject to a 3% Gross Metals Royalty.

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

Peter Lake Copper-Nickel-Cobalt Property

On August 23, 2018, the Company signed a Property Option Agreement (the "Agreement") with a group of 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 paid to the vendors, on signing of the agreement, \$10,000 cash and issued \$25,000 in common shares (based on its 20 day closing average share price).
- ii) On Exchange approval, the Company paid to the vendors, \$15,000 cash and issued \$100,000 in common shares (20 day closing average share price) and issued 500,000 warrants with a strike price of \$0.25 for two years (with a four-month holding period).
- iii) The Company would 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) By December 31, 2019, Manganese would issue to the vendors \$100,000 in common shares (20 day closing average share price); and incur during 2019 a further \$250,000 in exploration expenditures to earn a 100% interest in the Property. These conditions have been satisfied.
- v) An aggregate net smelter royalty ("NSR") of 2% shall be payable to the Vendors on all metals produced from the Property. The Company has 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 two cash payments totalling \$25,000 during the year ended March 31, 2019 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 stated price of \$0.15 each for a total value \$125,000 (per i) and ii) above, and see note 11). Negotiations with the vendors of the property are progressing to modify the December 31, 2019 share issuance and expenditure obligations of the option agreement. Currently the Company has earned a 40% interest in the property

Lac Aux Bouleaux Property

The Company acquired 100% interest in the Lac Aux Bouleaux Graphite Property under an agreement signed July 18, 2019, by paying \$10,000 cash and issuing 307,000 common shares of the Company valued at \$.12 per share. The Property consists of 14 mineral claims in one contiguous block totalling 738.12 hectares near the town of Mont-Laurier, in southern Québec. The Company has completed an updated NI 43-101 technical report which describes historical exploration work on the property.

13. RELATED PARTY TRANSACTIONS AND BALANCES

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

For six months period ended Sep 30,	2020	2019
	\$	\$
Management fees paid to companies controlled by officers	46,200	42,000
Exploration expenditures paid to an officer	27,583	30,000
Legal and professional fees paid to a firm of which Company's Secretary is a partner	108,997	28,346
	182,780	100,346

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

For three months period ended Sep 30,	2020	2019
	\$	\$
Management fees paid to companies controlled by officers	22,700	21,000
Exploration expenditures paid to an officer	20,538	15,000
Legal and professional fees paid to a firm of which Company's Secretary is a partner	48,542	17,247
	91,780	53,247

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	Sep 30, 2020	March 31, 2020
	\$	\$
Consulting fees paid to companies controlled by officers	1,977	11,620
Exploration expenditures due to directors	675	3,988
Owing to a legal firm in which the corporate secretary is a partner	-	37,964
	2,652	53,572

14. 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 September 30, 2020 and 2019; 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 would be anti-dilutive

15. SEGMENTATED INFORMATION

The Company operates in two reportable operating segments, being the acquisition and exploration of mineral property interests (in Canada only since the disposal of its subsidiary in Peru in the prior fiscal year) and technology development related to battery technologies and HVAC systems to respond to air quality management needs through its subsidiary Disruptive Battery Corp..

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

For the periods ended September 30,	Six months ended					
	2020			2019		
	\$ Manganese	\$ Disruptive	\$ Total	\$ Manganese	\$ Disruptive	\$ Total
Revenues	-			-	-	-
Expenses						
Exploration expenses (note 12)	109,178	6,974	116,152	121,085	-	121,085
Foreign exchange loss	1,762	-	1,762	3,443	-	3,443
Stock-based compensation (note 11)	842,382	-	842,382	176,093	-	176,093
Operating expenses	177,505	58	177,563	87,850	-	87,850
Provision for loss on investment (note 8)	300,000	-	300,000	-	-	-
Professional and consulting fees	184,696	-	184,696	163,451	-	163,451
	1,615,522	7,032	1,622,554	551,922	-	551,922
Net loss and comprehensive loss	(1,615,522)	(7,032)	(1,622,554)	(551,922)	-	(551,922)

For the periods ended September 30,	Three months ended					
	2020			2019		
	\$ Manganese	\$ Disruptive	\$ Total	\$ Manganese	\$ Disruptive	\$ Total
Revenues	-			-	-	-
Expenses						
Exploration expenses (note 12)	94,733	-	94,733	97,446	-	97,446
Foreign exchange loss	1,194	-	1,194	3,443	-	3,443
Stock-based compensation (note 11)	822,143	-	822,143	176,093	-	176,093
Operating expenses	148,206	15	148,221	58,208	-	58,208
Provision for loss on investment (note 8)	-	-	-	-	-	-
Professional and consulting fees	77,745	-	77,745	83,416	-	83,416
	1,144,021	15	1,144,036	418,606	-	418,606
Net loss and comprehensive loss	(1,144,021)	(15)	(1,144,036)	(418,606)	-	(418,606)

16. CAPITAL MANAGEMENT

The Company considers its capital to include all components of Shareholders' Equity. The Company currently manages its capital structure and makes adjustments to it, based on cash and other resources expected to be available to the Company, in order to support the planned exploration and development of mineral property interests and meet its obligations as they fall due. Management has not established quantitative targets for its capital structure. Capital needs are reviewed on a regular basis by management.

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 its place in the mineral exploration industry.

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

The Company and its subsidiaries 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 September 30, 2020, the Company believes it is compliant with the policies 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.

17. FINANCIAL INSTRUMENTS

At September 30, 2020, 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 exposure 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:

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 \$472 related to its foreign currency transactions for the quarter ended September 30, 2020.

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.

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

Cash flow and fair value interest rate risk: the Company is exposed to fluctuations 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 or owe any interest-bearing debt.

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 but minimizes such risks by dealing with a major Schedule A Canadian Chartered Bank and monitoring its modest receivables, most of which are from Canadian Governments in respect of Sales Taxes refundable.

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.

Covid-19

In early 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID- 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. The recent news on the development of several vaccines which appear to have very good effect on the virus has generated some optimism that life will get to a more normal pace and practice during the course of 2021.

19. SUBSEQUENT EVENTS

On 6th October, 2020, the company appointed, Mr. Lino Morris to its Subsidiary Advisory Board and granted 500,000 stock options to him at an exercise price of 50 cents for a period of three years from the date of grant, vesting immediately (see press release of October 6, 2020).

On 13th October, 2020, the company announced its intention to complete a non-brokered private placement offering of \$1,530,000 through the issuance of 6,000,000 units at a price of \$0.255 per Unit to an individual strategic investor. Each Unit of the Offering will be comprised of one common share in the capital of the Company and one common share purchase warrant being exercisable into one Common Share at a price of \$0.40 per Common Share for a period of two years from Closing which took place on October 19, 2020.

All securities issued pursuant to the Offering will be subject to a statutory hold period expiring four months and one day after Closing of the Offering.

MANGANESE X ENERGY CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited, expressed in Canadian dollars)

On 16th November, 2020, the company announced that Disruptive Battery Corp (“DBC”) has executed a definitive agreement with Pure Biotics to acquire a 50% equity stake in a joint venture together with Pure Biotics (the “JV”), an environmental air quality control company. The manufactured product will be a USA based air quality control delivery system. The Company has committed to funding the JV to the extent of \$150,000 with the option to opt out after \$50,000 if certain milestones are not achieved. The first \$50,000 has not yet been remitted.

The company’s wholly owned subsidiary, Graphano Energy Limited (“GEL”), established to hold and develop the Company’s LAB graphite project, has been established and, subject to Closing, commenced to raise capital to address its project. All of the MN owned shares of GEL are to be distributed to MN’s shareholders on the basis of one share of GEL for each eight (8) shares of MN held. GEL is seeking a listing on the TSX Venture Exchange (the “Exchange”). The non-brokered investment raising is being done as a unit priced at five (5) cents comprised of one share of GEL plus one warrant to acquire an additional share at a price eight (8) cents for a period of two years. The proposed Issue is proceeding very satisfactorily with over \$2,000,000 having been received into MN’s solicitor’s Trust Account, with Closing expected early in 2021 subject to certain requirements of the Exchange.

The funds anticipated in settlement of the MSOG matter referred to in the previous quarter’s Subsequent Events Note have not yet been received. Counsel continues to work towards settling this matter, in the context of the inevitable legal delays occasioned by Covid-19.