

**MANGANESE X ENERGY CORP.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**SIX MONTHS-PERIOD ENDED SEPTEMBER 30, 2021**

**UNAUDITED**

**(Expressed in Canadian dollars)**

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## Notice of Disclosure of Non-auditor review of the Interim 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 Sep 30, 2021 and 2020 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 29, 2021

*/s/ Martin Kepman*

Chief Executive Officer

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

As at,	Sep 30, 2021	March 31, 2021 (Audited)
	\$	\$
<b>ASSETS</b>		
<i><b>Current assets</b></i>		
Cash & cash equivalents (note 7)	4,510,515	5,562,483
Prepaid expenses	99,107	84,636
Sales taxes receivable	258,556	199,196
<b>Total current assets</b>	<b>4,868,178</b>	<b>5,846,315</b>
<i><b>Long-term assets</b></i>		
US Patent (note 9)	127,500	135,000
<b>Total assets</b>	<b>4,995,678</b>	<b>5,981,315</b>
<b>LIABILITIES</b>		
<i><b>Current liabilities</b></i>		
Accounts payable and accrued liabilities (note 10)	162,029	243,514
<b>Total liabilities</b>	<b>162,029</b>	<b>243,514</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 11)	17,343,669	17,292,628
Reserves	6,969,132	6,478,490
Deficit	(19,479,152)	(18,033,317)
<b>Total shareholders' equity</b>	<b>4,833,649</b>	<b>5,737,801</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>4,995,678</b>	<b>5,981,315</b>

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

The Company's board of directors approved the interim condensed consolidated financial statements on November 26, 2021.

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 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2021 AND 2020**  
(Unaudited, expressed in Canadian dollars)

	SHARE CAPITAL		RESERVES	DEFICIT	TOTAL
	#	\$	\$	\$	\$
<b>Balance, as at March 31, 2019</b>	<b>61,509,995</b>	<b>9,930,370</b>	<b>3,356,645</b>	<b>(12,308,576)</b>	<b>978,439</b>
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
<b>Balance, as at March 31, 2020</b>	<b>67,564,845</b>	<b>10,386,159</b>	<b>3,790,574</b>	<b>(13,231,193)</b>	<b>945,540</b>
Acquisition of US Patent	1,500,000	150,000	-	-	150,000
Issuance of shares	337,500	59,500	-	-	59,500
Private placements	35,957,357	2,930,519	2,142,443	-	5,072,962
Stock options issued	-	-	1,612,690	-	1,612,690
Stock options exercised	3,130,000	777,079	(341,479)	-	435,600
Stock options expired	-	-	(78,705)	78,705	-
Warrants exercised	15,760,705	2,989,371	(647,033)	-	2,342,338
Net loss for the period	-	-	-	4,880,828	4,880,828
<b>Balance, as at Mar 31, 2021</b>	<b>124,250,407</b>	<b>17,292,628</b>	<b>6,478,490</b>	<b>(18,033,316)</b>	<b>5,737,802</b>
Stock options issued	-	-	324,001	-	324,001
Warrants exercised	284,500	51,041	(8,366)	-	42,675
Net loss for the period	-	-	-	1,013,185	1,013,185
<b>Balance, as at June 30, 2021</b>	<b>124,534,907</b>	<b>17,343,669</b>	<b>6,794,125</b>	<b>(19,046,501)</b>	<b>5,091,293</b>
Stock-based compensation reserve	-	-	175,007	-	175,007
Net loss for the period	-	-	-	432,650	432,650
Dividend distribution (note 12)	-	-	-	1	1
<b>Balance, as at Sep 30, 2021</b>	<b>124,534,907</b>	<b>17,343,669</b>	<b>6,969,132</b>	<b>(19,479,152)</b>	<b>4,833,649</b>

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 SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2021 AND 2020**  
(Unaudited, expressed in Canadian dollars)

For the periods ended September 30,	Three months ended		Six months ended	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenues</b>	-	-	-	-
<b>Cash Expenses</b>				
Exploration expenses (note 12)	51,625	94,733	308,907	116,152
Research cost	54,679	-	73,859	-
Other operating expenses	16,357	148,221	35,886	22,061
Management fees	63,000	-	119,545	70,200
Professional and consulting fees	19,831	77,745	107,589	184,696
Printing, Postage and mailing expense re: Plan of Arrangement	2,529	-	171,539	10,576
Advertising and marketing	45,754	-	118,831	74,725
Foreign exchange loss	119	1,194	3,171	1,762
	<b>253,895</b>	<b>321,893</b>	<b>939,327</b>	<b>480,172</b>
<b>Non-cash Expenses/(income)</b>				
Stock-based compensation- Non-Cash (note 11)	175,007	822,143	499,008	842,382
Amortisation	3,750	-	7,500	-
Provision for loss on investment (note 8)	-	-	-	300,000
Profit on sale of property (note 12)	(1)	-	(1)	-
	<b>178,756</b>	<b>822,143</b>	<b>506,507</b>	<b>1,142,382</b>
<b>Net loss and comprehensive loss</b>	<b>432,650</b>	<b>1,144,036</b>	<b>1,445,834</b>	<b>1,622,554</b>
Loss per share - basic & diluted	<b>0.003</b>	0.015	<b>0.012</b>	<b>0.022</b>
Weighted average number of shares outstanding	<b>124,534,907</b>	78,037,293	<b>124,457,699</b>	<b>73,631,868</b>

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, 2021 AND 2020**  
(Unaudited, expressed in Canadian dollars)

For the six-months period ended,	Sep 30, 2021 \$	Sep 30, 2020 \$
<b>Cash used in operating activities</b>		
Net loss for the period	1,445,834	1,622,554
<i>Adjustments for items not involving cash:</i>		
Stock based compensation	499,008	842,382
Amortisation	7,500	-
Provision for loss on investment	-	300,000
Profit on sale of property (note 12)	(1)	-
Issuance of shares to a consultant	-	12,000
<i>Changes in non-cash working capital items:</i>		
Receivables and other	(55,881)	(43,171)
Prepaid expenses	(14,471)	(176,962)
Accounts payable and accrued liabilities	(81,485)	(31,980)
Deposit on private placement	-	-
	<b>(1,091,163)</b>	<b>(720,286)</b>
<b>Cash used in investing activities</b>		
Investment in US Patent	-	(345,000)
	-	(345,000)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares (net)	-	2,086,866
Warrants exercised	42,675	572,750
Options exercised	-	218,400
	<b>42,675</b>	<b>2,878,016</b>
Increase (decrease) in cash and cash equivalents	<b>(1,048,488)</b>	1,812,731
Cash and cash equivalents, beginning of the period	<b>5,562,483</b>	534,537
<b>Cash and cash equivalents, end of the period</b>	<b>4,513,995</b>	<b>2,347,268</b>

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

**MANGANESE X ENERGY CORP.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2021 AND 2020**  
**(Unaudited, expressed in Canadian dollars)**

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**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 on the TSX Venture Exchange (the "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 145 Graveline, Saint-Laurent, Quebec, Canada and it maintains a place of business at 120 Carlton St. Suite 219 in Toronto.

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 26, 2021.

**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 the Company 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 (as is assumed in the presentation of these statements) 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 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-month period ended September 30, 2021, the Company recorded a net comprehensive loss of \$1,445,834 (September 30, 2020 – \$1,622,554) and had an accumulated deficit of \$19,479,152 (March 31, 2021 - \$18,033,317) but a positive shareholders' equity of \$4,833,649 and cash of \$4,513,995. While the "Going concern uncertainty" may still be justified in the longer term, the Company presently is in sound financial condition to maintain its operations for the next 18 months and beyond.

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**  
**SIX-MONTHS PERIOD ENDED SEPTEMBER 30, 2021 AND 2020**  
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### **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”) and effective as of September 30, 2021.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the six-month period ended September 30, 2021 may not be indicative of the results that may be expected for the year ending March 31, 2022. 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 annual consolidated financial statements of the Company include the accounts of its 100% wholly owned subsidiaries, 7712898 Canada Inc. Disruptive Battery Corp. and, until August 2021, Graphano Energy Ltd (“Graphano”), all located in Canada. All significant inter-company transactions and balances have been eliminated upon consolidation. Graphano was dividdened out to its shareholders (see Note 12) on August 24, 2021 and as such has been de-consolidated. The net investment in Graphano, pursuant to the Company's policy of writing off mining properties and related expenditures, was a nominal amount and therefore not disclosed separately.

#### ***Investments subject to significant influence***

Investments over which the Company exercises significant influence are accounted for using the equity method. The equity method is a 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.

#### ***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 other comprehensive income (“OCI”). This applies primarily to the DBC subsidiary and its joint venture.

#### ***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, 2021 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.

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(Unaudited, expressed in Canadian dollars)

Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at March 31, 2022. In the event that accounting policies adopted at March 31, 2022 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at March 31, 2022.

**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 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, 2021 and 2020 for a list of accounting estimates and judgements considered significant by management.

**6. FUTURE ACCOUNTING PRONOUNCEMENTS**

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after Sep 31, 2021. There are currently no such pronouncements that are expected to have a significant impact on the Company's consolidated financial statements upon adoption.

**7. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are as follows:

	<b>Sep 30, 2021</b>	<b>Mar 31, 2021</b>
	<b>\$</b>	<b>\$</b>
Cash Canadian banks	<b>1,794,322</b>	1,832,891
Cash held in Capital Transfer Agency Trust Account	-	120,136
Cash held in Solicitors' Trust Account(s)	<b>2,719,673</b>	3,609,456
	<b>4,513,995</b>	5,562,483

During the current period and prior years the Company has not raised any funds via flow-through financings.

**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. In the result, MSOG did not complete any acquisition and no such additional cash payment or issue of MN shares was made. During the year

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the Company recovered an amount of \$41,812 of the \$500,000 advanced. The Company may still pursue collection of the balance of the amount advanced but has set up an allowance in full for the balance as collection of any further amounts is uncertain. As such, the Company has recognized a provision for loss on investment in the previous year in the amount of \$458,188.

**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. Further testing has been encouraging and more detailed testing is now being undergone. The acquisition of this patent will add new technology to our Disruptive Battery Corp. (“DBC”) subsidiary. It is intended that Disruptive Battery Corp. will work in partnership with universities, chemical labs and global HVAC companies and experts in the field of environmental science, especially the University of Virginia with whom the Company now has an agreement for work to be conducted via its 50% owned joint venture subsidiary. 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. The Company has further advanced an amount of US\$50,000 (CAD\$66,555) as its share of the research costs to further test and develop products related to this patent. The research is being completed in tandem with DBC. The amount incurred for research has, in accordance with the Company’s accounting policy, been expensed.

	<b>Opening</b>	<b>Additions</b>	<b>Amortization</b>	<b>Net</b>
Patent	\$ 135,000	\$ -	\$ 7,500	\$ 127,500

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Trade payables as at Sep 30, 2021 are \$162,029 (March 31, 2021 - \$243,514). Accounts payable includes an amount of \$109,050 (March 31, 2021 - \$118,617) 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 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

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**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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share for 15 cents expiring on September 3, 2023. In connection with the private placement the Company paid finder's fees in an aggregate amount 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%. 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.

On October 15, 2020, Manganese completed a private placement of 6,000,000 Units of the Company at \$0.255 per unit for gross proceeds of \$1,530,000 with each Unit being comprised of one (1) common share and one (1) warrant exercisable into one (1) common share at \$0.40 per share expiring on October 21, 2022. The Offering was closed on October 21, 2020. No finder's fee were paid in connection with the Offering.

On February 11, 2021, Manganese announced it had completed a non-brokered private placement offering for gross proceeds of \$1,636,210 through the issuance of up to 4,958,212 units at a price of \$0.33 per Unit. Each Unit of the Offering was comprised of one common share in the capital of the Company and one common share purchase warrant being exercisable into one additional Common Share at a price of \$0.44 per share until February 11, 2023. The Company paid cash fees of \$29,482.20 and issued 89,340 finder's warrants, which each entitle the holder thereof to purchase one Common Share at a price of \$0.44 until February 11, 2023 to a registered finder. The net proceeds received by the Company from the Offering are expected to be used for exploration, business development and general working capital purposes.

- b) On July 18, 2019 the Company issued 307,000 common shares (see note 12), for the Lac Aux Bouleaux Property located in the Province of Québec, to the vendors as per the purchase agreement at a value of \$36,840.
- c) On April 30, 2020 the Company issued 1,500,000 common shares (see note 9) with a value of \$150,000, for the acquisition by DBC of a US patent for a system and method for air quality disinfection, sterilization and deodorization.
- d) 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.
- e) A total of 284,500 warrants were exercised during the six-month period ended September 30, 2021, the Company issued 284,500 common shares for warrants exercised and \$42,675 was received.

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**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**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 \$
<b>Balance - March 31, 2019</b>	<b>10,358,325</b>	<b>0.20</b>
Issued	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
<b>Balance - March 31, 2020</b>	<b>4,650,000</b>	<b>0.16</b>
Issued	24,999,145	0.15
Warrant issued	172,000	0.15
Warrants expired	(500,000)	0.25
Warrants exercised	(3,950,000)	0.145
Issued	6,000,000	0.400
Issued	4,958,212	0.44
Warrant issued	89,340	0.44
Warrants exercised	(11,810,705)	0.15
<b>Balance -Mar 31, 2021</b>	<b>24,607,992</b>	<b>0.27</b>
Warrants exercised	(284,500)	0.15
<b>Balance -June 30, 2021</b>	<b>24,323,492</b>	<b>0.27</b>
	-	-
<b>Balance -Sep 30, 2021</b>	<b>24,323,492</b>	<b>0.27</b>

For fair value of the 4,150,000 warrants (first line, above, year ended March 31, 2020) refer Note subsection (a) of section (B) “Common shares issued” above.

The fair value of the 24,999,145 warrants at issue date (in the prior year) 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%. The allocation of the total proceeds to share capital and warrant reserve was effected by pro-rating the then 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 (also prior year) 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%.

The fair value of the 6,000,000 warrants issued as part of Units during the prior year’s third quarter was \$1,319,321, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.32; strike price of \$.0.40; 152.36% expected volatility; risk free interest rate of 0.25%;

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and an expected dividend yield of 0%. The allocation of the total proceeds to share capital and warrant reserve was effected by pro-rating the then 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 4,958,212 warrants at issue date (in Q4 of the prior year) was \$2,484,621, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.63; 163.69% expected volatility; risk free interest rate of 0.22%; and an expected dividend yield of 0% and pro-rated similarly as above.

The fair value of the 89,340 warrants issued as part of Units with a strike price of \$0.44 during the prior year was \$44,769, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.63; strike price of \$.0.44; 163.69% expected volatility; risk free interest rate of 0.22%; and an expected dividend yield of 0% and pro-rated similarly as above.

As at Sep 30, 2021, the outstanding share purchase warrants were as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
\$0.150	13,103,940	2.3	Sep 2023
\$0.150	172,000	2.3	Sep 2023
\$0.400	6,000,000	1.3	Oct 2022
\$0.440	4,958,212	1.6	Feb 2023
\$0.440	89,340	1.6	Feb 2023
<b>Balance -Sep 30, 2021</b>	<b>24,323,492</b>	<b>1.9</b>	

#### **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:

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	No. of Options Vested	Weighted Average Exercise Price (\$)
<b>Balance – March 31, 2019</b>	<b>5,325,000</b>	<b>0.15</b>
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
<b>Balance - March 31, 2020</b>	<b>2,650,000</b>	<b>0.11</b>
Options issued	300,000	0.12
Options issued	2,100,000	0.20
Options issued	700,000	0.86
Options issued	800,000	0.25
Options exercised	(1,820,000)	0.12
Options expired	(560,000)	0.12
Options issued	2,600,000	0.63
Options exercised	(750,000)	0.20
Options expired	(120,000)	0.12
<b>Balance - Mar 31, 2021</b>	<b>5,900,000</b>	<b>0.46</b>
Options issued	300,000	0.50
<b>Balance - June 30, 2021</b>	<b>6,200,000</b>	<b>0.47</b>
-	-	-
<b>Balance - Sep 30, 2021</b>	<b>6,200,000</b>	<b>0.47</b>

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%.

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%.

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 \$0.20; 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%.

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The fair value of the 800,000 stock options at the issue date (December 29, 2020) was \$190,801 calculated using the Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price and strike price of \$0.30; 139.85% expected volatility; risk free interest rate of 0.26%; and an expected dividend yield of 0%.

The fair value of the 2,600,000 stock options at the issue date (February 1, 2021) was \$1,403,896 calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price and strike price of \$0.63; 130.82% expected volatility; risk free interest rate of 0.18%; and an expected dividend yield of 0%. One third of the options vested on the date of grant and one third of the options will vest on each of the 12 and 24 month anniversary of the date of grant. The total value of the options in the amount of \$1,403,896 will be amortized over the vesting period.

The fair value of the 300,000 stock options at the issue date (April 4, 2021) was \$148,995 calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price and strike price of \$0.50; 132.26% expected volatility; risk free interest rate of 0.49%; and an expected dividend yield of 0%.

As at Sep 30, 2021, stock options issued and outstanding are as follows:

	Options granted	Options exercisable	Weighted Average Exercise Price (\$)	Expiry dates
	300,000	300,000	0.12	September 2024
	1,500,000	1,500,000	0.20	September 2023
	700,000	700,000	0.86	September 2023
	800,000	800,000	0.25	December 2023
	2,600,000	866,667	0.25	February 2026
	300,000	300,000	0.50	April 2026
<b>Balance -Sep 30, 2021</b>	<b>6,200,000</b>	<b>4,466,667</b>	<b>0.31</b>	

## 12. EXPLORATION PROPERTIES

Mineral exploration and evaluation on the properties may be subject to exploration and/or mining restrictions with potential implications on expenses thereof. 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.

### ***Battery Hill/Houlton Woodstock Manganese Property***

On June 28, 2016, the Company announced that it would be entering into an option agreement with Globex Mining Enterprises (GMX). 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 were a firm obligation and were made and required even in the event the Company chose not to complete the option agreement and have been completely satisfied.
- 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

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the Effective date of the option agreement (these first two share issuances were firm commitments); and a further 2,000,000 shares on or before the 2nd anniversary of the Effective date of the option agreement. All these shares have now been Issued as below.

- 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. This commitment has been satisfied.

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 4<sup>th</sup> 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.

***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 acquired a 40% interest in the Property.(on which a net smelter royalty ("NSR") of 2% shall be payable to the Vendors on all metals produced from the Property with a 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 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 (now expired unexercised) as per the option agreement at a stated price of \$0.15 each for a total value \$125,000 (see note 11).

***Lac Aux Bouleaux Property***

The Company acquired 100% interest in the Lac Aux Bouleaux Graphite ("LAB") 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 and is available on SEDAR and on the Company's website.

The LAB Property has been dividended out to MN's shareholders through a former subsidiary of the Company known as Graphano Energy Ltd. ("Graphano"). Graphano's shares have been distributed to MN's shareholders as a dividend pursuant to the terms of a Scheme of Arrangement by which the Company distributed 15,559,049 common shares of Graphano ("Graphano Shares") to shareholders of record of Manganese X common shares ("Manganese X Shares") as of August 24, 2021 (the "Record Date"), on the basis of one Graphano Share for every eight shares of Manganese X held on the Record Date. The sale of the LAB property to Graphano Energy Limited and dividend distribution are booked at the carrying value in MN's books which has been a nominal value of \$1. GEL's shares are now listed for trading on the Exchange and began trading on September 30, 2021 under the trading symbol "GEL". Three members of MN's management and Board of Directors are presently three of the five members of Graphano's Board of Directors and management. Graphano has raised by way of private placements approximately \$4.1 m by issuing 82,278,660 Subscription Receipts to enable it to commence its exploration and development of the LAB Property. Owing to technical requirements of the Exchange, all shares of GEL have been consolidated on a one for 6.5 basis.

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**13. RELATED PARTY TRANSACTIONS AND BALANCES**

In addition to share issuances to which many of its Insiders were Subscribers, transactions with related parties were as follows:

<b>For the six-months period ended Sep 30,</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Management and other fees paid to companies controlled by Officers and Directors	<b>119,545</b>	46,200
Exploration expenditures paid to an officer as geological consultant to the company	<b>29,442</b>	27,583
Legal and professional fees paid to a firm of which Company's Secretary is a partner	<b>137,599</b>	108,997
Stock-Based compensation expense - directors and officers	<b>391,311</b>	-
	<b>677,898</b>	182,780

<b>For three months period ended Sep 30,</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Management fees paid to companies controlled by officers	<b>63,000</b>	22,700
Exploration expenditures paid to an officer	<b>15,672</b>	20,538
Legal and professional fees paid to a firm of which Company's Secretary is a partner	-	48,542
Stock-Based compensation expense - directors and officers	<b>121,158</b>	-
	<b>78,672</b>	91,780

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

<b>Included in the accounts payable and accrued liabilities</b>	<b>Sep 30, 2021</b>	<b>March 31, 2021</b>
	<b>\$</b>	<b>\$</b>
Consulting fees payable to companies controlled by officers and Directors	<b>7,627</b>	5,367
Exploration expenditures due to directors	<b>1,423</b>	4,039
Owing to a legal firm in which the corporate secretary is a partner	<b>100,000</b>	109,211
	<b>109,050</b>	118,617

**14. EARNINGS PER SHARE ("EPS")**

*(a) Basic EPS*

Basic EPS is computed by dividing net income 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 income 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 Sep 30, 2021 and 2020; 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.

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**15. SEGMENTED INFORMATION**

The Company operates in two reportable operating segments, being the acquisition and exploration of mineral property interests in Canada and technology development related to battery technologies and HVAC systems to respond to air quality needs through its subsidiary Disruptive Battery Corp. All of the Company's exploration activities are focussed on exploration projects located in Canada while DBC's activities are primarily carried on through its investment in its Joint Venture which is primarily located and conducting its activities in the USA.

For the six-months period ended Sep 30, 2021	2021		
	\$	\$	\$
	Manganese	Disruptive	Total
<b>Revenues</b>	-		
<b>Cash Expenses</b>			
Exploration expenses	308,907	-	308,907
Research cost	35,517	38,342	73,859
Foreign exchange loss	3,171	-	3,171
Other operating expenses	35,856	30	35,886
Management fees	119,545	-	119,545
Professional and consulting fees	107,589	-	107,589
Printing, Postage and mailing expense re: Plan of Arrangement	171,539		171,539
Advertising and marketing	118,831		118,831
	900,956	38,372	939,327
<b>Non- cash Expenses</b>			
Stock-based compensation	499,008	-	499,008
Amortisation	7,500	-	7,500
Provision for loss on investment	-	-	-
Profit on sale of property (note 12)	(1)	-	(1)
	506,507	-	506,507
<b>Net loss and comprehensive loss</b>	<b>(1,407,462)</b>	<b>(38,372)</b>	<b>(1,445,834)</b>

**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, and required by the Company in order to support the planned exploration and development of mineral property interests and DBC's activities 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, beyond its present cash resources, currently is dependent on externally provided equity financing to fund its future activities. In order to carry out planned exploration and development and fund administrative and DBC's 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 its activities.

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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 March 31 and Sep 30, 2021, 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 periods covered in these statements.

## **17. FINANCIAL INSTRUMENTS**

At September 30, 2021, the Company's financial instruments include cash and cash equivalents, other receivable, related party receivables and accounts 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 and other captions above are measured using Level 2 inputs as is the fair value of the investment in MSOG (note 8).

## **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 markets 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 and its subsidiaries conduct a small portion of their business using \$US dollars and are therefore exposed to a nominal amount of financial risk that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The company recorded a foreign exchange loss of \$3,171 related to its foreign currency transactions for the quarter ended Sep 30, 2021.

*Commodity price risk*: while the value of the Company's core mineral resource is related to the price of precious and other 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 and other 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 and other metals may also negatively affect the Company's ability to raise capital and meet its financial commitments.

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*Cash flow and fair value interest rate risk:* the Company could be exposed to fluctuations in its future cash flows arising from changes in interest rates through variable rate financial assets and liabilities. Other liabilities negotiated at a fixed rate could 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 and amounts receivable. The Company reduces this risk by dealing with creditworthy financial institutions but may be exposed to such risk with respect to other counterparties. 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 its solicitor's Trust account 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 junior resource sector which the Company is in is usually considered high but the Company's present cash and cash equivalents resources appear to have effectively eliminated this risk for now.

**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 and other quarantine periods and social and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and periodic weakness. Governments and central banks have reacted with significant monetary and fiscal interventions (which may carry their own risks) 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 and rapid implementation of several vaccines which appear to have very good effect on the virus has generated considerable optimism that life will get to a more normal pace and practice during the course of 2021/2. This is clearly a continuously developing dynamic situation as "fourth wave" incidence of the virus has varied significantly around the country and around the globe and caution as to its further development is still appropriate.

**19. SUBSEQUENT EVENTS**

There are no significant or material events to report since September 30, 2021.