

MANGANESE X ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2022 AND 2021

AUDITED
(Expressed in Canadian dollars)

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Manganese X Energy Corp.:

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

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

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

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

July 27, 2022

/s/ Martin Kepman
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Manganese X Energy Corp.:

Opinion

We have audited the consolidated financial statements of Manganese X Energy Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements changes in equity, loss and comprehensive loss and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that for the year ended March 31, 2022 the Company incurred losses of \$4,274,412 and had an accumulated deficit of \$22,307,730 at year end. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

- Management's Discussion and Analysis

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

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

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

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

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

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

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

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

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

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

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

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



Markham, Ontario
July 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

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

As at,	March 31, 2022	March 31, 2021
	\$	\$
ASSETS		
<i>Current assets</i>		
Cash & cash equivalents (note 7)	3,511,198	5,562,483
Prepaid expenses	304,203	84,636
Sales taxes receivable	119,162	199,196
Total current assets	3,934,563	5,846,315
<i>Long-term assets</i>		
US Patent (note 9)	120,000	135,000
Total assets	4,054,563	5,981,315
LIABILITIES		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities (note 11)	128,432	243,514
Total liabilities	128,432	243,514
SHAREHOLDERS' EQUITY		
Share capital (note 12)	17,347,795	17,292,628
Reserves	8,886,066	6,478,490
Deficit	(22,307,730)	(18,033,317)
Total shareholders' equity	3,926,131	5,737,801
Total liabilities & shareholders' equity	4,054,563	5,981,315

Going concern (Note 2) and subsequent events (Note 21)

The Company's board of directors approved the consolidated financial statements on July 27, 2022.

APPROVED BY THE BOARD OF DIRECTOR

Signed "Martin Kepman" Director

Signed "Jay Richardson" Director

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

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2022 AND 2021
(Audited, expressed in Canadian dollars)

	SHARE CAPITAL		RESERVES	DEFICIT	TOTAL
	#	\$	\$	\$	\$
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	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				4,880,829	4,880,829
Balance, as at March 31, 2021	124,250,407	17,292,628	6,478,490	(18,033,317)	5,737,801
Stock options issued	-	-	2,416,618	-	2,416,618
Warrants exercised	307,500	55,167	(9,042)	-	46,125
Dividend distribution (note 10)	-	-	-	1	1
Net loss for the period	-	-	-	4,274,412	4,274,412
Balance, as at March 31, 2022	124,557,907	17,347,795	8,886,066	(22,307,730)	3,926,131

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

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED MARCH 31, 2022 AND 2021
(Audited, expressed in Canadian dollars)

For the year ended March 31,	Year ended	
	2022	2021
	\$	\$
Revenues	-	-
Cash Expenses		
Exploration expenses (note 10)	813,490	798,834
Research cost	73,859	66,555
Other operating expenses	110,933	315,389
Management fees	238,545	151,333
Professional and consulting fees	197,744	1,201,667
Printing, Postage and mailing expense re: Plan of Arrangement	174,539	706
Advertising and marketing	227,432	253,879
Foreign exchange loss	6,253	6,588
	1,842,795	2,794,951
Non-cash Expenses/(income)		
Stock-based compensation- Non-Cash (note 12)	2,416,618	1,612,690
Amortisation	15,000	15,000
Provision for loss on investment (note 8)	-	458,188
Profit on sale of property (note 10)	(1)	-
	2,431,617	2,085,878
Net loss and comprehensive loss	4,274,412	4,880,829
Loss per share - basic & diluted	0.034	0.053
Weighted average number of shares outstanding	124,514,219	92,428,998

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

MANGANESE X ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022 AND 2021
(Audited, expressed in Canadian dollars)

For the year ended,	March 31, 2022	March 31, 2021
	\$	\$
Cash used in operating activities		
Net loss for the period	(4,274,412)	(4,880,829)
<i>Adjustments for items not involving cash:</i>		
Stock based compensation	2,416,618	1,612,690
Amortisation	15,000	15,000
Provision for loss on investment	-	458,188
Profit on sale of property (note 10)	(1)	12,000
<i>Changes in non-cash working capital items:</i>		
Receivables and other	80,034	(159,392)
Prepaid expenses	(219,567)	(84,636)
Accounts payable and accrued liabilities	(115,082)	114,713
	(2,097,410)	(2,912,266)
Cash used in investing activities		
Recovered from litigation re: MSOG	-	41,812
	-	41,812
Cash flows from financing activities		
Proceeds from issue of shares (net)	-	5,120,462
Warrants exercised	46,125	2,342,338
Options exercised	-	435,600
	46,125	7,898,400
Increase (decrease) in cash and cash equivalents	(2,051,285)	5,027,946
Cash and cash equivalents, beginning of the period	5,562,483	534,537
Cash and cash equivalents, end of the period	3,511,198	5,562,483
Non-cash financing and investments activities :		
Common shares issued for acquisition of patent	-	150,000

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

MANGANESE X ENERGY CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022 AND 2021
(Audited, 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 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 consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on July 27, 2022.

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 strategic alternatives, 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 year ended March 31, 2022, the Company recorded a net comprehensive loss of \$4,274,412 (March 31, 2021 – \$4,880,829) and had an accumulated deficit of \$22,307,730 (March 31, 2021 - \$18,033,317) but a positive shareholders' equity of \$3,926,131 and cash of \$3,511,198. 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 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.
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3. BASIS OF PRESENTATION

Statement of compliance

These 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 March 31, 2022.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These 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

During the current year the Company's former 100% owned subsidiary 7712898 Canada Inc. was continued in the Province of British Columbia under the new name 1296555 B.C. Ltd. Subsequently, on November 3, 2021, it was amalgamated with the Company under the name Manganese X Energy Corp. 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 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 spun-out to MN's shareholders (see Note 10) 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 consolidated financial statements are presented in Canadian dollars, which is Company's functional currency.

Financial assets

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

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets at Fair-value through profit or loss

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

Financial assets at Fair-value through other comprehensive income

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

Financial assets at amortized cost

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

Financial liabilities

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

Impairment

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

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

MANGANESE X ENERGY CORP.
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(Audited, expressed in Canadian dollars)

Cash and cash equivalents

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

Exploration and evaluation assets

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

Intangible assets and research costs

Intangible assets, which consist of a US patent for a system and method for air quality disinfection, sterilization and deodorization, will be amortized over its estimated useful life of 10 years on a straight-line basis.

Amortization expense is included in the consolidated comprehensive statement of income (loss) within cost of goods sold, administrative costs, research and development costs, and other operating gains and losses.

The asset is tested for impairment if (a) there is a trigger for impairment, and (b) annually for projects under development. Intangible assets are derecognized from the consolidated statement of financial position on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the derecognition of an intangible asset is recognized in profit or loss at the moment of derecognition.

Research and development costs

Research costs are recognized in profit or loss in the period in which they are incurred.

Development costs are capitalized if, and only if, all the following conditions are fulfilled:

- the cost of the asset can be reliably measured;
- the technical feasibility of the product has been demonstrated;
- the product or process will be placed on the market or used internally;
- the assets will generate future economic benefits (a potential market exists for the product or, where it is to be used internally, its future utility has been demonstrated); and
- the technical, financial, and other resources required to complete the project are available.

Development costs comprise employee expenses, the cost of materials and services directly attributable to the projects, and an appropriate share of directly attributable fixed costs including, and where applicable, borrowing costs. The intangible assets are amortized as from the moment they are available for use, *i.e.* when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

Development costs which do not satisfy the above conditions are recognized in profit or loss as incurred. As at year end the Company had not incurred any expenditures characterized as development costs.

Income taxes

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

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

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

Segment reporting

The Company operates in two reportable operating segments, being the acquisition and exploration of mineral property interests in Canada and technology development HVAC systems to respond to air quality needs through its subsidiary Disruptive Battery Corp.

Share capital

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

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

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

Share capital issue costs

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

Share-based Compensation

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

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

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

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair

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value of the share purchase options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

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

Basic and diluted loss per share

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

Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

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

The investment in MSOG had been designated as a financial instrument carried at fair value with value changes recognized in profit and loss (“FVTPL”). It was written off in its entirety in fiscal 2021 after management determined that its value had been substantially impaired.

Flow-through shares

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

Restoration, Rehabilitation and Environmental Obligations

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

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created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at March 31, 2022 and 2021 as the disturbance to date is minimal.

Use of Estimates and Judgments

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

5. SUMMARY OF ACCOUNTING ESTIMATES AND JUDGMENTS

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 discussed below.

(i) Fair Value of Financial Instruments

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

(ii) Share-based payment transactions

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

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 12.

(iii) Taxes

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

(iv) Restoration, rehabilitation and environmental obligations

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

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6. FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after March 31, 2022. 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:

	Mar 31, 2022	Mar 31, 2021
	\$	\$
Cash Canadian banks	3,482,598	1,832,891
Cash held in Capital Transfer Agency Trust Account	3,433	120,136
Cash held in Solicitors' Trust Account(s)	25,167	3,609,456
	3,511,198	5,562,483

During the current period and prior year 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 2021, the Company recovered an amount of \$41,812 of the \$500,000 advanced. The Company is still pursuing 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 in fiscal 2021.

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. Amortization of this asset is over ten years on a straight line basis, as noted above.

	Opening	Additions	Amortization	Net
Patent	\$ 135,000	\$ -	\$ 15,000	\$ 120,000

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10. 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:

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.

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 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.

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 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 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. 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 12).

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Lac Aux Bouleaux Property – No longer owned by the Company

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 spun-out 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.

Also subsequent to March 31, 2022, the company released a Preliminary Economic Assessment ("PEA") for its wholly owned Battery Hill project located near Woodstock, New Brunswick (see MD&A for further disclosure).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade payables as at March 31, 2022 are \$128,432 (March 31, 2021 - \$243,514). Accounts payable includes an amount of \$1,150 (March 31, 2021 - \$118,617) due to related parties (see Note 13).

12. SHARE CAPITAL

A Authorized share capital:

An unlimited number common share, without par value:

B Common Shares Issued

- a) 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 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 being used for metallurgy and drilling at the company's Woodstock Battery Hill manganese project and its Preliminary Economic Assessment, costs resulting from the 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 affected by pro-rating the current trading value of the shares with the Black-Scholes calculated value of the warrants over the total purchase consideration.

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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 fees 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 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 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.
- c) 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.
- d) A total of 307,500 warrants were exercised during the year ended March 31, 2022 (2021 – 15,760,705), the Company issued 307,500 common shares (2021- 15,760,705) for warrants exercised and \$46,125 (2021 - \$2,342,338) was received. No options were exercised in the current fiscal year (2021 – 3,130,000 for \$435,600 in cash).

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, 2020	4,650,000	0.16
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
Balance -Mar 31, 2021	24,607,992	0.27
Warrants exercised	(307,500)	0.15
Balance -Mar 31, 2022	24,300,492	0.27

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The fair value of the 24,999,145 warrants issued 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 affected 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 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%; and an expected dividend yield of 0%. The allocation of the total proceeds to share capital and warrant reserve was affected 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 issued in 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 March 31, 2022 and 2021, the outstanding share purchase warrants were as follows:

Exercise price	Weighted average		
	Number outstanding remaining contractual and exercisable	life (years)	Expiry dates
\$0.150	13,388,440	2.5	Sep 2023
\$0.150	172,000	2.5	Sep 2023
\$0.400	6,000,000	1.6	Oct 2022
\$0.440	4,958,212	1.8	Feb 2023
\$0.440	89,340	1.8	Feb 2023
Balance -Mar 31, 2021	24,607,992	2.1	

Exercise price	Weighted average		
	Number outstanding remaining contractual and exercisable	life (years)	Expiry dates
\$0.150	13,080,940	1.43	Sep 2023
\$0.150	172,000	1.42	Sep 2023
\$0.400	6,000,000	0.54	Oct 2022
\$0.440	4,958,212	0.87	Feb 2023
\$0.440	89,340	0.87	Feb 2023
Balance -Mar 31, 2022	24,300,492	1.1	

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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:

	No. of Options Vested	Weighted Average Exercise Price (\$)
Balance - March 31, 2020	2,650,000	0.11
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
Balance - Mar 31, 2021	5,900,000	0.46
Options issued	300,000	0.56
Options issued	5,500,000	0.40
Balance -Mar 31, 2022	11,700,000	0.44

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%.

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%.

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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 12th and 24th 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 \$0.56; 132.26% expected volatility; risk free interest rate of 0.49%; and an expected dividend yield of 0%.

The fair value of the 5,500,000 stock options at the issue date (March 25, 2022) was \$1,640,677 calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price and strike price of \$0.40; 129.87% expected volatility; risk free interest rate of 2.36%; and an expected dividend yield of 0%.

As at March 31, 2022 and 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
Balance -Mar 31, 2021	5,900,000	4,166,667	0.30	

	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	1,733,333	0.63	February 2026
	300,000	300,000	0.56	April 2026
	5,500,000	5,500,000	0.40	March 2027
Balance -Mar 31, 2022	11,700,000	10,833,333	0.44	

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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:

For the year ended Mar 31,	2022	2021
	\$	\$
Management and other fees paid to companies controlled by Officers and Directors	238,545	141,333
Exploration expenditures paid to an officer as geological consultant to the company	15,871	99,138
Legal and professional fees paid to a firm of which Company's Secretary is a partner	124,250	225,563
Stock-Based compensation expense - directors and officers	1,571,293	863,446
	1,949,959	1,329,480

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	Mar 31, 2022	March 31, 2021
	\$	\$
Consulting fees payable to companies controlled by officers and Directors	1,150	5,367
Exploration expenditures due to directors	-	4,039
Owing to a legal firm in which the corporate secretary is a partner	-	109,211
	1,150	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 March 31, 2022 and 2021; 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. SEGMENTED INFORMATION

The Company operates in two reportable operating segments, being the acquisition and exploration of mineral property interests in Canada and technology development through its subsidiary Disruptive Battery Corp. (DBC), which includes a HVAC systems to respond to air quality needs. 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

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investment in its Joint Venture which is primarily located and conducting its activities in the USA, so this Segmented Information oriented to field of activity/business nature also serves as Geographic Segmentation.

For the year ended Mar 31, 2022	2022			2021		
	\$ Manganese	\$ Disruptive	\$ Total	\$ Manganese	\$ Disruptive	\$ Total
Revenues	-	-	-	-	-	-
Cash Expenses						
Exploration expenses	813,490	-	813,490	798,834	-	798,834
Research cost	35,517	38,342	73,859	-	66,555	66,555
Other operating expenses	110,873	60	110,933	315,389	-	315,389
Management fees	238,545	-	238,545	144,271	7,062	151,333
Professional and consulting fees	197,744	-	197,744	1,201,667	-	1,201,667
Printing, Postage and mailing expense re: Plan of Arrangement	174,539	-	174,539	706	-	706
Advertising and marketing	227,432	-	227,432	253,879	-	253,879
Foreign exchange loss	6,253	-	6,253	6,588	-	6,588
	1,804,393	38,402	1,842,795	2,721,334	73,617	2,794,951
Non- cash Expenses						
Stock-based compensation	2,416,618	-	2,416,618	1,612,690	-	1,612,690
Amortisation	15,000	-	15,000	15,000	-	15,000
Provision for loss on investment	-	-	-	458,188	-	458,188
Profit on sale of property (note 12)	(1)	-	(1)	-	-	-
	2,431,617	-	2,431,617	2,085,878	-	2,085,878
Net loss and comprehensive loss	(4,236,010)	(38,402)	(4,274,412)	(4,807,212)	(73,617)	(4,880,829)

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.

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, 2022, 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.

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17. INCOME TAXES

	March 31, 2022	March 31, 2021
Loss before Income taxes	4,274,412	4,880,829
Statutory tax rate	27%	27%
Expected tax recovery	(1,154,091)	(1,317,824)
Permanent differences	852,000	520,046
Change in deferred tax assets not recognized	302,092	797,778
Income taxes	-	-

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

	March 31, 2022	March 31, 2021
Non capital losses	2,706,000	2,690,000
Mineral properties	990,000	810,000
Deferred tax assets not recognized	(3,696,000)	(3,500,000)
Net deferred income tax assets recognized	-	-

As at March 31, 2022 the Company had cumulative Canadian operating losses of approximately \$10,106,000 (2021 - \$9,850,000) which has not been recognized and will expire if unused as noted below:

Expiry	\$
2030	502,000
2031	526,000
2032	1,419,000
2033	1,309,000
2034	1,129,000
2035	187,000
2036	50,000
2037	118,000
2038	633,000
2039	486,000
2040	542,000
2041	2,085,000
2042	1,120,000
	10,106,000

In addition to the above, the Company has approximately \$3.2 million in Canadian Development Expenditure and Canadian Exploration Expenditures which are deductible from future taxable income without expiry.

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18. FINANCIAL INSTRUMENTS

At March 31, 2022, 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).

19. 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 \$6,253 related to its foreign currency transactions for the year ended March 31, 2022.

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.

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.

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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 at the present time.

20. CONTINGENCIES

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 efficacy against the virus has generated considerable optimism that life will get to a more normal pace and practice during the course of 2022/3. This is clearly a continuously developing dynamic situation as various "waves" of the virus have varied significantly around the country and around the globe and caution as to its further development is still appropriate. There is presently concern being expressed that a seventh wave is spreading and may be expected to worsen in the typical fall flu season.

21. SUBSEQUENT EVENTS

Subsequent to year end 2,050,000 warrants were exercised for proceeds of \$597,500.

Also subsequent to March 31, 2022, the company released its Preliminary Economic Assessment (see MD&A for further disclosure).

Finally, \$20,000 was advanced as royalty payment to Globex as per Clause 7.1 of the option agreement. The clause states if the property is not placed into production by the 6th anniversary of the effective date, MN shall pay Globex \$20,000 per year. Any advanced royalty will be deducted from future GMR payments.