MANGANESE X ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2023 AND 2022 (RESTATED)

AUDITED

(Expressed in Canadian dollars)

Contents

Consolidated Financial Statements

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, 2023

/s/ Martin Kepman
Chief Executive Officer

Wasserman
Ramsay

Chartered Professional Accountants

3601 Hwy 7 East, Suite 1008, Markham, Ontario L3R 0M3
Tel. (905) 948-8637 Fax (905) 948-8638
email: wram@wassermanramsay.ca

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 the Company incurred losses of $2,833,259 and had an accumulated deficit of $25,412,629 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.

Wasserman Ramsay

Markham, Ontario
July 27, 2023

Chartered Professional Accountants
Licensed Public Accountants

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

As at,	**March 31, 2023**	**(Restated)** March 31, 2022
	$	$
ASSETS		
Current assets		
Cash & cash equivalents (note 8)	**3,323,431**	3,511,198
Prepaid expenses	**308,148**	304,203
Sales taxes receivable	**209,913**	119,162
Total current assets	**3,841,492**	3,934,563
Long-term assets		
US Patent (note 9)	**105,000**	120,000
Total assets	**3,946,492**	4,054,563
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	**106,850**	128,432
Total liabilities	**106,850**	**128,432**
SHAREHOLDERS' EQUITY		
Share capital (note 12)	**20,377,118**	17,377,280
Reserves	**8,875,153**	9,128,221
Deficit	**(25,412,629)**	(22,579,370)
Total shareholders' equity	**3,839,642**	3,926,131
Total liabilities & shareholders' equity	**3,946,492**	4,054,563

Going concern (Note 2), Restatement (Note 6) and subsequent events (Note 20)

The Company’s board of directors approved the consolidated financial statements on July 27, 2023.

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, 2023, 2022 (RESTATED) AND 2021 (RESTATED)
(Audited, expressed in Canadian dollars)

	SHARE CAPITAL		RESERVES	DEFICIT	TOTAL
	#	$	$	$	$
Balance, as at Mar 31, 2021 (Restated)	**124,250,407**	**17,322,113**	**6,720,645**	**(18,304,957)**	**5,737,802**
Stock option issued	-	-	-	-	-
Warrants exercised	307,500	55,167	(9,042)	-	46,125
Stock-based compensation reserve	-	-	2,416,617	-	2,416,617
Dividend distribution (note 12)	-	-	-	(1)	(1)
Net loss for the period	-	-	-	(4,274,412)	(4,274,412)
Balance, as at Mar 31, 2022 (restated)	**124,557,907**	**17,377,280**	**9,128,220**	**(22,579,370)**	**3,926,131**
Stock-based compensation reserve	-	-	197,443	-	197,443
Warrants exercised	2,090,000	779,889	(176,389)	-	603,500
Stock options exercised	100,000	37,944	(17,944)	-	20,000
Private placements	9,015,958	1,514,092	411,735	-	1,925,828
Warrants expired	-	623,143	(623,143)	-	-
Warrants cancelled	-	44,769	(44,769)	-	-
Net loss for the period	-	-	-	(2,833,259)	(2,833,259)
Balance, as at Mar 31, 2023	**135,763,865**	**20,377,118**	**8,875,153**	**(25,412,629)**	**3,839,642**

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, 2023 AND 2022 (RESTATED)
(Audited, expressed in Canadian dollars)

	Year ended	
For the year ended March 31,	**2023**	**2022**
	$	$
Revenues	**-**	-
Cash Expenses		
Exploration expenses (note 10)	**1,484,848**	813,490
Research cost	**-**	73,859
Other operating expenses	**206,711**	110,933
Management fees	**341,726**	238,545
Professional and consulting fees	**456,687**	197,744
Printing, Postage and mailing expense including re: Plan of Arrangement	**-**	174,539
Advertising and marketing	**125,582**	227,432
Foreign exchange loss	**5,262**	6,253
	2,620,816	1,842,795
Non-cash Expenses/(income)		
Stock-based compensation- Non-Cash (note 12)	**197,443**	2,416,618
Amortisation	**15,000**	15,000
Profit on sale of property (note 10)	**-**	(1)
	212,443	2,431,617
Net loss and comprehensive loss	**2,833,259**	4,274,412
Loss per share - basic & diluted	**0.022**	0.034
Weighted average number of shares outstanding	**129,296,858**	124,499,922

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, 2023 AND 2022 (RESTATED)
(Audited, expressed in Canadian dollars)

For the year ended,	Mar 31, 2023 $	Mar 31, 2022 $
Cash used in operating activities		
Net loss for the period	**(2,833,259)**	(4,274,412)
Adjustments for items not involving cash:		
Stock based compensation	**197,443**	2,416,618
Amortisation	**15,000**	15,000
Profit on sale of property	**-**	(1)
Changes in non-cash working capital items:		
Receivables and other	**(90,751)**	80,034
Prepaid expenses	**(3,945)**	(219,567)
Accounts payable and accrued liabilities	**(21,583)**	(115,082)
	(2,737,094)	(2,097,410)
Cash used in investing activities		
	-	-
Cash flows from financing activities		
Proceeds from issue of shares (net)	**1,925,827**	-
Warrants exercised	**603,500**	46,125
Options exercised	**20,000**	-
	2,549,327	46,125
Increase (decrease) in cash and cash equivalents	**(187,767)**	(2,051,285)
Cash and cash equivalents, beginning of the period	**3,511,198**	5,562,483
Cash and cash equivalents, end of the period	**3,323,431**	3,511,198

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

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, 2023.

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, 2023, the Company recorded a net comprehensive loss of $2,833,259 (March 31, 2022 – loss of $4,274,412) and had an accumulated deficit of $25,412,629 (March 31, 2022 - $22,579,370 restated (Note 6)) but a positive shareholders' equity of $3,839,642 and cash of $3,323,431. While the "Going concern uncertainty" may still be justified in the longer term, management is of the opinion the Company presently is in sound financial condition to maintain its operations for the next 12 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.

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, 2023.

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 last fiscal year ending March 31, 2022, 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 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.

The subsidiaries are fully consolidated from the date of acquisition and continue to be consolidated until the date control over the subsidiaries ceases.

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 the Company's functional currency.

4. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

Financial assets

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

Financial assets at Fair-value through profit or loss

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

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.

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.

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

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

Segment reporting
The Company currently operates in a two reportable operating segment – treportable 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.

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 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.

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 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, 2023 and 2022 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.

(Audited, expressed in Canadian dollars)

6. RESTATEMENT OF 2022 AND 2021

During the year it was determined that the expense associated with grants of 800,000 stock options issued in 2021 was not reflected in the 2021 accounts. As such, the closing statement of financial position for 2022 has been restated. The effect on the 2022 statement of financial position is as follows: 1) Increase in the share capital in the amount of $29,485, 2) Increase in reserves in the amount of $242,155 and 3) an increase in the deficit by $271,640.

7. FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after March 31, 2023. There are currently no such pronouncements that are expected to have a significant impact on the Company's consolidated financial statements upon adoption.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

CASH AND CASH EQUIVALENTS

	Mar 31, 2023	Mar 31, 2022
	$	$
Cash Canadian banks	**3,317,449**	3,482,598
Cash held in Capital Transfer Agency Trust Account	**5,983**	3,433
Cash held in Solicitors' Trust Account(s)	**-**	25,167
	3,323,431	3,511,198

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. 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.

	Opening	Additions	Amortization	Net
Patent	$ 120,000	$ -	$ 15,000	$ 105,000

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.

The company has released a Preliminary Economic Assessment ("PEA") for its wholly owned Battery Hill project located near Woodstock, New Brunswick (see MD&A for further disclosure).

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 has no immediate plans to do anything with respect to this asset.

Lac Aux Bouleaux Property – No longer owned by the Company

The LAB Property has been spun-out out in the prior year 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. 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.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade payables as at March 31, 2023 are $106,850 (March 31, 2022 - $128,432). Accounts payable includes an amount of $22 (March 31, 2022 - $1,150) 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 December 15, 2022, Manganese announced the closing of a Flow Through (“FT”) private placement issuing 9,015,958 units at a price of $0.23 per Unit. Each Unit of the Offering was comprised of one FT common share in the capital of the Company and one half of one common share purchase warrant, each full such warrant being exercisable into one additional Common Share at a price of $0.32 per share until December 15, 2024. The Company paid cash fees of $147,842 and issued 642,789 finder's warrants, which each entitle the holder thereof to purchase one Common Share at a price of $0.32 until December 15, 2024 to a registered finder. The finder’s warrants were valued at $60,423 using the Black-Scholes option pricing model.

b) A total of 2,090,000 warrants were exercised during the year ended March 31, 2023, the Company issued 2,090,000 common shares for warrants exercised and $603,500 was received.

c) A total of 100,000 options were exercised during the year ended March 31, 2023, the Company issued 100,000 common shares for options exercised and $20,000 was received.

C Share purchase warrants

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

(Audited, expressed in Canadian dollars)

	Warrants #	Weighted average exercise price $
Balance -Mar 31, 2021	**24,607,992**	**0.27**
Warrants exercised	(307,500)	0.15
Balance -Mar 31, 2022	**24,300,492**	**0.27**
Warrants exercised	(1,000,000)	0.44
Warrants exercised	(1,090,000)	0.15
Re: Private Placement	4,507,978	0.32
Warrants expired	(6,000,000)	0.40
Warrant issued	642,789	0.32
Warrants cancelled	(89,340)	0.44
Balance -Mar 31, 2023	**21,271,919**	**0.25**

The fair value of the 4,507,978 warrants issued as part of Units during the prior year was $405,908, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of $0.20; strike price of $.0.32; 105.14% expected volatility; risk free interest rate of 3.54%; 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 642,789 warrants issued as part of Units with a strike price of $0.32 during the prior year was $57,878, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of $0.20; strike price of $.0.32; 105.14% expected volatility; risk free interest rate of 3.54%; and an expected dividend yield of 0% (also pro-rated similarly as above).

As at March 31, 2023 and 2022, the outstanding share purchase warrants were as follows:

	Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
	$0.150	11,990,940	0.43	Sep 2023
	$0.150	172,000	0.42	Aug 2023
	$0.320	4,507,978	1.71	Dec 2024
	$0.320	642,789	1.71	Dec 2024
	$0.440	3,958,212	1.97	Feb 2025
Balance -Mar 31, 2023		**21,271,919**	**1.02**	

(Audited, expressed in Canadian dollars)

	Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
	$0.150	13,080,940	1.43	Sep 2023
	$0.150	172,000	1.43	Sep 2023
	$0.400	6,000,000	0.58	Oct 2022
	$0.440	4,958,212	0.83	Feb 2023
	$0.440	89,340	0.83	Feb 2023
Balance -Mar 31, 2022		**24,300,492**	**1.10**	

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 - Mar 31, 2021 (restated)	**6,650,000**	**0.46**
Options issued	300,000	0.50
Options issued	5,500,000	0.40
Balance -Mar 31, 2022 (restated)	**12,450,000**	**0.43**
Options exercised	(100,000)	0.20
Balance -Mar 31, 2023	**12,350,000**	**0.44**

As at March 31, 2023 and 2022, stock options issued and outstanding are as follows:

	Options granted	Options exercisable	Weighted Average Exercise Price ($)	Expiry dates
	500,000	500,000	0.12	September 2024
	1,250,000	1,250,000	0.20	September 2023
	700,000	700,000	0.86	September 2023
	500,000	500,000	0.50	October 2023
	200,000	200,000	0.20	December 2023
	800,000	800,000	0.25	December 2023
	2,600,000	2,600,000	0.63	February 2026
	300,000	300,000	0.50	April 2026
	5,500,000	5,500,000	0.40	March 2027
Balance -Mar 31, 2023	**12,350,000**	**12,350,000**	**0.44**	

(Audited, expressed in Canadian dollars)

	Options granted	Options exercisable	Weighted Average Exercise Price ($)	Expiry dates
	500,000	500,000	0.12	September 2024
	1,350,000	1,350,000	0.20	September 2023
	700,000	700,000	0.86	September 2023
	500,000	500,000	0.50	October 2023
	200,000	200,000	0.20	December 2023
	800,000	800,000	0.25	December 2023
	2,600,000	1,733,333	0.63	February 2026
	300,000	300,000	0.50	April 2026
	5,500,000	5,500,000	0.40	March 2027
Balance -Mar 31, 2022 (restated)	**12,450,000**	**11,583,333**	**0.43**	

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 year ended March 31,	2023	2022
	$	$
Management and other fees paid to companies controlled by Officers and Directors	**305,726**	238,545
Exploration expenditures paid to an officer as geological consultant to the company	**30,766**	15,871
Legal and professional fees paid to a firm of which Company's Secretary is a partner	**30,780**	124,250
Stock-Based compensation expense - directors and officers	**136,691**	1,571,293
	503,964	1,949,959

In addition, a total of 150,000 units of the 9,015,958 units issued in the December 15, 2022 Flow through Private placement were subscribed by the Company's CFO.

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, 2023	Mar 31, 2022
	$	$
Consulting fees payable to companies controlled by officers and Directors	**-**	1,150
Owing to a legal firm in which the corporate secretary is a partner	**22**	-
	22	1,150

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.

(Audited, expressed in Canadian dollars)

The Company reported net losses for the year ended March 31, 2023 and 2022; the Company has accordingly presented basic and diluted EPS 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 though its 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 March 31,	2023			2022		
	$ Manganese	$ Disruptive	$ Total	$ Manganese	$ Disruptive	$ Total
Revenues	-	-	-	-	-	-
Cash Expenses						
Exploration expenses	**1,484,848**	-	**1,484,848**	813,490	-	813,490
Research cost	-	-	-	35,517	38,342	73,859
Other operating expenses	**206,645**	66	**206,711**	110,873	60	110,933
Management fees	**341,726**	-	**341,726**	238,545	-	238,545
Professional and consulting fees	**456,687**	-	**456,687**	197,744	-	197,744
Printing, Postage and mailing expense including re: Plan of Arrangement	-	-	-	174,539	-	174,539
Advertising and marketing	**125,582**	-	**125,582**	227,432	-	227,432
Foreign exchange loss	**5,262**	-	**5,262**	6,253	-	6,253
	2,620,750	**66**	**2,620,816**	1,804,393	38,402	1,842,796
Non- cash Expenses						
Stock-based compensation	**197,443**	-	**197,443**	2,416,618	-	2,416,618
Amortisation	**15,000**	-	**15,000**	15,000	-	15,000
Profit on sale of property (note 10)	-	-	-	(1)	-	(1)
	212,443	-	**212,443**	2,431,617	-	2,431,617
Net loss and comprehensive loss	**2,833,193**	**66**	**2,833,259**	4,236,010	38,402	4,274,412

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.

(Audited, expressed in Canadian dollars)

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 12 months. As of December 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.

17. 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:

As at March 31, 2023 the Company had cumulative Canadian operating losses of approximately $11,235,000 (2021 - $9,850,000) which has not been recognized and will expire if unused as noted below:

For year ended March 31,	**2023**	2022
	$	$
Loss before Income Tax	**2,833,259**	4,274,412
Statutory Tax Rate	**27%**	27%
Expected Tax recovery	**(764,980)**	(1,154,091)
Non-deductile Items	**448,537**	852,000
Change in deferred tax assets not recognized	**316,443**	302,092
Income Taxes	**0**	(0)

	2023	2022
	$	$
Non capital losses	**3,026,000**	2,706,000
Mineral properties	**717,000**	990,000
Deffered tax assets not recognized	**(3,743,000)**	(3,696,000)
Net deferred income tax assets recognize	**0**	(0)

(Audited, expressed in Canadian dollars)

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	1,077,000
2043	1,172,000
	11,235,000

In addition to the above, the Company has approximately $2.6 million in Canadian Development Expenditure and Canadian Exploration Expenditures which are deductible from future taxable income without expiry

18. FINANCIAL INSTRUMENTS

At March 31, 2023, the Company's financial assets include cash and cash equivalents, other receivable 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.

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 $5,093 related to its foreign currency transactions for the year ended March 31, 2023.

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.

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. SUBSEQUENT EVENTS

No subsequent events to report.