

Manganese X Energy Corp.

Management's, Discussion and Analysis

For the third quarter period ending December 31, 2019

GENERAL INFORMATION

Management's Discussion and Analysis ("MD&A") of the financial position and of the results of operations is the responsibility of management and has been reviewed and approved by the Board of Directors of Manganese X Energy Corp. ("Manganese" or the "Company") on February 26, 2020 .

Manganese X Energy Corp. ("Manganese" or the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporation Act on December 4, 2007. On December 3, 2010, the Company changed its name from Numine to Sunset Cove Mining Inc. On December 1, 2016, the Company changed its name from Sunset Cove Mining Inc. to Manganese X Energy Corp. The principal activities of Manganese and its subsidiaries are to acquire and advance high potential mining prospects located in North America with the intent of supplying value added materials to the lithium ion battery and other alternative energy industries.

The Company's shares are listed under the symbol MN (formerly: SSM) on the TSX Venture Exchange. The registered office of the Company is located at 145 Graveline, Saint-Laurent, Quebec, Canada.

The following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements for the period ended December 31, 2019 and the audited consolidated financial statements of Manganese for the twelve-month period ended March 31, 2019 and with the related notes attached thereto. These interim consolidated financial statements have been prepared in accordance with international accounting standards for interim financial reporting under IAS 34.

The MD&A is provided to enable the reader to assess material changes in financial position and results of operations for the period ended December 31, 2019, in comparison to the corresponding period last year. This MD&A is also intended to supplement and complement the audited consolidated financial statements of Manganese and accompanying notes for the year ended March 31, 2019.

The MD&A is prepared in conformity with NI 51-102F1 and unless expressly stated otherwise, all references to dollar amounts are in Canadian dollars.

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FORWARD-LOOKING STATEMENTS

This MD&A for the quarter ended December 31, 2019 may contain or refer to certain forward-looking statements relating, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "intend", "estimate", "may", and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

Any forward-looking information that may be presented in this MD&A is identified as such. Statements regarding the adequacy of cash resources to carry out our exploration and development programs or the need for future financing are forward-looking statements. Any forward-looking information is based on current expectations that involve a number of business risks and uncertainties. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Current shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested forward-looking statements.

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur.

There are no events and circumstances that occurred during the period to which the MD&A relates, except those that may be published in the subsequent event section, and the going concern notes and financing, that are reasonably likely to cause actual results to differ materially from material forward-looking information, for a period that is not yet complete and has previously disclosed to the public.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

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GOING CONCERN DISCLOSURE

The business of mining exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Although Manganese has taken steps to verify title to the properties on which it is conducting exploration and has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims and non-compliance with regulatory requirements.

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 nine-month period ended December 31, 2019, the Company recorded a net comprehensive loss of \$761,144 (December 31, 2018 – \$936,327) and had an accumulated deficit of \$13,069,720 (March 31, 2019 - \$12,308,576).

Its ability to continue as a going concern is uncertain and is dependent upon its ability to fund its working capital, complete the development of its explorations, and eventually to generate positive cash flows from operations. Management plans to explore all alternatives possible, including joint ventures, debt and equity financings, and merger opportunities.

These interim 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.

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CORPORATE OVERVIEW

The following individuals are currently members of the Company's board of directors: Martin Kepman, Roger Dahn, Mark Billings, Anthony Viele and Luisa Moreno. The board appointed Jacques Arsenault as Chief Financial Officer. Wasserman Ramsay, Chartered Accountants, are currently the Company's auditors. Shimmy Posen from Garfinkle, Biderman LLP, is the Corporate Secretary and legal advisor.

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. In addition to finance these manganese projects through potential asset/positive cash flow business ventures.

Manganese is a junior mineral exploration and development company focused on the acquisition and exploration of mineral properties. The Company's strategy is to build value through the acquisition, exploration and development of polymetallic precious metal properties to the point where they become attractive acquisitions or joint venture targets. Manganese's project generation strategy is based on acquiring properties in proven mining districts, by going to geological formations where proven mineral exploration and extraction success continues. This means that all of the Company's projects are located near the necessary infrastructure of roads, water and electricity.

Houlton Woodstock Manganese Property

On June 28, 2016 the Company announced that it would be entering into an option agreement with Globex Mining Enterprises. The Company having met certain conditions of a previously concluded agreement, announced the conclusion of an option agreement for a manganese property in the province of New Brunswick. Pursuant to the agreement, it had 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 which is 12 months from the Effective date of the option agreement. The cash payments are a firm obligation and must be made even in the event the Company chooses not to complete the option agreement.
- Issue 4,000,000 post consolidation shares as follows: 1,000,000 shares on or before the 5th day after TSX-Venture Exchange acceptance of the Option agreement; a further 1,000,000 shares on or before the 1st anniversary of the Effective date of the option agreement (these first two share issuances are a firm commitment); and a further 2,000,000 shares on or before the 2nd anniversary of the Effective date of the option agreement.
- 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 option agreement and an additional \$500,000 on or before the 2nd anniversary of the on or before the 2nd anniversary of the Effective date of the option agreement.

The Company made the first cash payment deposit of \$100,000 on April 28, 2016 and a final cash payment of \$100,000 on February 3, 2017. As at March 31, 2018, a total of 2,400,000 shares were issued as per the option agreement including 400,000 shares as finder's fees common shares. The Company made the first share payment of 1 million shares on December 4th 2016 and an additional second share payment of 1 million shares on April 22, 2017. On November 30, 2018 the Company issued the final tranche of shares required

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under the option agreed by issuing 2,000,000 common shares at a value of \$0.12 each for a total value of \$240,000 (see note 10) and now owns 100% of the claims subject to a 3% Gross Metals Royalty.

National Research Council (NRC/CNRC) a research project

On July 19 2018 Manganese received from the National Research Council (NRC/CNRC) a research proposal, which was accepted by the Company titled "The potential of ore upgrading and purification techniques to produce battery-grade material (high purity: 99.999 per cent)". The estimated total cost of the project was \$185,000 with a government contribution of up to \$99,600. On September 13, 2018, the Company announced that the research project in conjunction with the National Research Council of Canada had been initiated, and the first of 12 test work tasks completed. The aim of the project was to determine to what extent, ore from the Woodstock Manganese property in New Brunswick, could be upgraded from the 12-per-cent-manganese content using a variety of mineral dressing techniques and also to explore the potential to generate a high-purity manganese sulphate commercial product suitable for precursor manufacturing for the burgeoning lithium-ion battery industry, with emphasis on North American supply. The NRC/CNRC project was completed in mid-March and the experimental results are presently being utilized to advance our MnSo4 project which is presently in progress.

Kemetco Research Inc Project

On March 4th 2019 Manganese announced that in collaboration with Kemetco Research Inc. it has been able to produce manganese sulfate with a purity exceeding 99.6% and very low levels of base and alkali metals (Cu, Pb, Ni and Zn below 10 ppm and Na, K and Ca below 50 ppm) that are deleterious in battery-grade compounds. The company's preliminary flowsheet using specific parameters for Battery Hill ore has yielded very encouraging results. The flowsheet incorporates leaching, followed by solid-liquid separation, purification and crystallization.

On August 30th, 2019 Manganese signed a contract with Kemetco to continue with the Ultra-Pure Metallurgical Project to produce high grade battery-eligible material for the North American li-ion and other alternative energy markets. The company, together with Kemetco, will now continue to develop a commercializable flow sheet to produce ultrahigh-purity (greater than 99.9 per cent) battery-grade manganese product for the growing electric vehicle and energy storage sectors, using the safe and sustainable North American mineralization at Battery Hill. The Company received an encouraging updated progress report from Kemetco. The time frame estimated completion of the project in 6 to 12weeks.

Mountain Springs Oil and Gas Limited (MSOG)

The Company has been advised by MSOG that they are in negotiations to finalize their Purchase Sales Agreement for a specific oil and gas property package which is located in Western Canada. There was a delay due to fact that the vendors have expressed an interest to include an additional oil and gas property which is also located in Western Canada; the parties have now agreed in both principle and terms to these oil and gas property packages. They are in final negotiations for royalties as well as more minor details. MSOG has committed to expediting the completion of this transaction. Manganese presently owns 15% of MSOG and has an option of increasing ownership with an additional 10% interest, upon MSOG completing its current acquisition and with Manganese board approval. The Company's strategy is to utilize the potential cash flow from dividends generated by its interest in MSOG's oil and gas production wells, to advance the Battery Hill manganese, Peter Lake copper-nickel-cobalt and Lac Aux Bouleaux (LAB) Graphite projects, as well as other potential opportunities.

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Peter Lake Copper-Nickel-Cobalt Property

The Company announces on August 23, 2018, that it has signed a Property Option Agreement (the "Agreement") with a group in Québec. (the "Vendors"). The Vendors will continue to assist the Company by managing the exploration program guided by their significant knowledge of the Property. Pursuant to the terms of the Agreement, the Company has the option to acquire a 100% interest in the Property, set forth as follows:

- The Company will pay to the vendors, on signing of the agreement, \$10,000 cash and issue \$25,000 in common shares (20 day closing average exchange price).
- On Exchange approval, the Company will pay to the vendors, \$15,000 cash and issue \$100,000 in common shares (20 day closing average exchange price) and issue 500,000 warrants at a price of \$0.25 for two years (with a four-month holding period).
- The Company will incur exploration expenditures of \$150,000 on the property on or before December 31, 2018 to earn a 40% interest in the property. The Company has incurred exploration expenditures of \$150,000 on the property before December 31, 2018 and has earned a 40% interest in the property.
- By December 31, 2019, Manganese must issue to the vendors \$100,000 in common shares (20 day closing average exchange price); and incur during 2019 a further \$250,000 in exploration expenditures to earn a 100% interest in the Property.
- An aggregate net smelter royalty ("NSR") of 2% shall be payable to the Vendors on all metals produced from the Property. The Company shall have the right at any time to buy back one percent (1%) of the NSR from the Vendors for one million dollars (\$1,000,000).

The Company made the first cash payment deposit of \$35,000 during the year and issued a total of 833,333 common shares and 500,000 warrants exercisable for a two-year period at \$0.25 per share and valued at \$34,000 as per the option agreement at a value of \$0.15 each for a total value \$125,000.

The Peter Lake Property is located near the town of Sainte-Anne du Lac in the Central Grenville Province, Quebec. Two Copper-Nickel-Cobalt occurrences known as Peter Lake North and Peter Lake South are included within the Property. Previous exploration work in the area has been very limited with only 2 shallow diamond drill holes being completed on the property in 2002. In September 2018, the Company commenced a fall exploration program consisting of line cutting, blast pit sampling, ground geophysical surveys (induced polarization and magnetics), a regional airborne magnetic survey and geology/prospecting to identify and prioritize potential targets for a follow-up diamond drill program. On September 27 2018, the Company announced an update including the results from nine blast pit samples collected from the North and South Occurrences which indicates:

- mineralization grade averaging 2.23% Copper, 0.59% Nickel and 458 ppm Cobalt
- that the mineralization is associated with mafic intrusions within a metasedimentary sequence of rocks; and
- has been traced intermittently on surface for approximately 2 kilometers.

Special attention during the ongoing exploration program will be directed towards the cobalt and possible gold-platinum-palladium potential of the property. The Company announced the completion of a Max-Min II-5 EM survey which started on the 15th of September 2019. The survey covered both the North and South occurrences and was completed under contract by Geosig Inc. of Quebec City. Negotiations with the vendors

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of the property are progressing to modify the December 31, 2019 share issuance and expenditure obligations of the option agreement. Currently the Company has earned a 40% interest in the property.

Lac Aux Bouleaux Graphite Property

On July 11, 2019 the Company entered into an agreement to acquire a 100% interest, subject to a 2% NSR, in the Lac Aux Bouleaux Graphite property in the Province of Quebec. The cost of the acquisition is \$50,000, \$10,000 in cash and \$40,000 worth of shares of the Company valued at the 20-day weighted average price for the 20-day period preceding the payment due date.

The Company has completed a fall exploration program at the LAB Graphite property located contiguous to the south of TIMCAL's Lac des Iles graphite mine. The program consisted of grid establishment, ground electromagnetic (EM) survey, drone surveys to collect elevation data and aerial imagery, and a detailed compilation of all previous work including historical geophysics and diamond drilling from over 80 diamond drill holes. The fall exploration program was a strategic step towards updating the property's historic resource estimates and in preparation for future trenching and diamond drill programs. The Company is presently compiling all the above data.

Disruptive Battery Corp.

The Company's subsidiary, Disruptive Battery Corp., created for the purposes of accelerating a manganese thesis as it relates to fuel cells, is pleased to announce that it has been approached by and is in discussions with a Quebec entity to assist to develop and supply battery grade manganese materials for the North American lithium-ion battery (lib) market. Driven by the expected market penetration of electric vehicles, the number of lithium-ion batteries (lib) produced annually is expected to increase within the next decade by a factor of 10, at a minimum. This production surge will require the securing of stable supply chains for the key elements used in lib, such as lithium, iron, manganese, and phosphorous. These elements are available in certain Canadian provinces including Quebec and establishing local supply chains represents a unique opportunity for the Canadian industry to assume an important role in the rapidly developing lib market. The Quebec entity seeks to establish a national supply chain for lib cathode materials from the mine to the battery. To do so, they will develop partnerships with various battery themed companies and Manganese has been selected to participate in the development and supply of lithium-ion batteries.

QUALIFIED PERSON AND QA/QC

Roger Dahn, B.Sc., P.Geo (New Brunswick), Manganese X Energy's Vice President of Exploration, is designated as the Qualified Person in compliance with National Instrument 43-101 as well as Perry MacKinnon, P.Geo, who is also a Qualified Person regarding the Company's Houlton Woodstock manganese property located in Carleton County, New Brunswick.

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FINANCIAL POSITION AND LIQUIDITY

The financial position of Manganese at December 31, 2019 is:

| | December 31, 2019 | March 31, 2019 | December 31, 2018 |
|-------------------------------------|--------------------------|----------------|-------------------|
| | \$ | \$ | \$ |
| Current assets | \$666 518 | 978 562 | 899 645 |
| Non-current assets | 750 000 | 750 000 | - |
| Total assets | 1 416 518 | 1 728 562 | 899 645 |
| Current liabilities | 312 026 | 750 123 | 83 914 |
| Shareholder's Equity | 1 104 492 | 978 439 | 815 731 |
| Total liabilities and Equity | 1 416 518 | 1 728 562 | 899 645 |
| Working capital | 354,492 | 228 439 | 815 731 |

Cash at December 31, 2019 was \$612,083 (including \$0 restricted flow-through funds) compared to \$827,545 (including \$179,245 restricted flow-through funds) at March 31, 2019.

As of December 31, 2019, Manganese had working capital of \$354,492 compared to \$228,439 at March 31, 2019 and \$815,731 as at December 31, 2018.

The Company was able to raise funds by way of several private placements (see Capital Resources section for more information). The Company continues to focus on potential opportunities in the market.

Cash flows used in operating activities, for the nine-month period ended December 31, 2019, were \$559,476 compared to \$1,317,371 used in the same period ended December 31, 2018. The net loss for the period was \$761,144 in 2019 compared to a net loss of \$936,327 in 2018 for the same nine-month period.

Cash flows used in investing activities for the nine-month period ended December 31, 2019, were \$Nil compared to \$Nil for the same period ended December 31, 2018.

Cash flows from financing activities for the nine-month period ended December 31, 2019, were \$344,014 compared to \$496,285 for the same period ended December 31, 2018.

Other current assets (excluding cash) at December 31, 2019 were \$54,435 compared to \$151,017 at March 31, 2019. Other current assets are prepaid expenses and Canadian sales tax receivable.

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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 completes its first acquisition. Should the final payment be made in shares of the Company, the number of shares to be issued will be determined by the price of shares when MSOG completes its first acquisition. In addition, upon completion of MSOG's first deal, the Company with Board approval, has an option to purchase of an additional 10% or 500,000 common shares of MSOG's at a \$1 a share subscription price.

Should the Company complete this purchase it will have a grand total of 1,250,000 shares or 25% ownership of MSOG. At year-end, the fair value of MSOG approximates its net carrying value of \$500,000. Also, as of December 31, 2019 the final \$250,000 payment for the 15% interest is still outstanding.

Accounts payable and accrued liabilities were \$62,026 at December 31, 2019 compared to \$169,873 at March 31, 2019. Included in the accounts payable and accrued liabilities for this period is an amount of \$19,225 (March 31, 2019 - \$62,357) due to related parties of the Company. (See Related Party Transactions for additional information).

On April 10, 2019, the Company announced the closing of a non-brokered private placement of 4,150,000 units at a price of \$0.12 for gross proceeds of \$497,500. Each unit being comprised of one common share and one common share purchase warrant. Each warrant entitling the holder thereof to acquire one further common share at a price of \$0.145 per common share, for a period of three (3) years following the closing date. In connection with the offering, Martin Kepman, an insider of the Company, has subscribed for 200,000 units. Of the total offering of \$487,500, \$330,250 was received prior to year-end (March 31, 2019) and prior to closing of the offering. As at December 31, 2019, all funds were received relating to this non-brokered private placement.

Shareholders' Equity was positive \$1,104,492 at December 31, 2019 compared to \$978,439 at March 31, 2019 and \$815,731 at December 31, 2018. The detail of the Shareholders' Equity is:

| | December 31, 2019 | March 31, 2019 | December 31, 2018 |
|---------------|--------------------------|----------------|-------------------|
| | \$ | \$ | \$ |
| Share capital | 10 659 061 | 9 930 370 | 9 379 897 |
| Reserves | 3 515 151 | 3 356 645 | 3 475 774 |
| | 14 174 212 | 13 287 015 | 12 855 671 |
| Deficit | (13 069 720) | (12 308 576) | (12 039 940) |
| | 1 104 492 | 978 439 | 815 731 |

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The Company has no revenues and relies on equity financing and loans to meet its obligations. The deficits continue to rise, although at a lower rate, due to cost cutting measures due to the Company's difficulty in accessing the capital markets, a condition that has affected the entire junior exploration industry.

CAPITAL RESOURCES

Common shares

a) On February 20, 2018, Manganese announced the closing of a private placement with the issuance of 5,285,000 Units of the Company at \$0.15 for gross proceeds of \$792,750. With each Unit being comprised of one (1) common share and one (1) warrant, with each whole warrant giving the warrant-holder the right to purchase one (1) common share for \$0.25 expiring on February 20, 2020. There is a statutory hold period on the Units, which expires on June 20, 2018, being four months from closing. The total gross proceeds of this financing will be used for exploration, growth, research and development, marketing, and general working capital.

The fair value of the 5,285,000 Unit warrants at issue date was \$141,181, as calculated using a Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.15; 60% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

b) A total of 1,572,117 warrants (March 31, 2017 - 6,662,204 warrants) were exercised during the year ended March 31, 2018, the Company issued 1,572,117 (March 31, 2017 - 6,662,204) common shares for warrants exercised.

c) A total of 650,000 stock options were exercised during the year ended March 31, 2018, the Company issued 650,000 common shares for stock options exercised.

d) On September 12, 2018, for the Peter Lake Copper-Nickel-Cobalt Property located in the Province of Québec, the Company has issued 833,333 common shares (see note 11) to the vendors and the finder's fee common shares as per the option agreement.

e) On November 19, 2018, the Company closed a tranche of a non-brokered private placement financing of flow-through shares for gross proceeds of \$200,000 through issuance of 1,000,000 flow-through shares in the share capital of the Company at \$0.20 per share.

f) On November 30, 2018, the Company issued 2,000,000 common shares (see note 11) representing the final tranche of shares required for the acquisition of the Battery Hill Houlton Woodstock Manganese property located in the top-tier global mining jurisdiction of New Brunswick, as per the original acquisition agreement.

g) A total of 3,776,050 warrants were exercised during the year ended March 31, 2019, the Company issued 3,776,050 common shares for warrants exercised.

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h) On April 10, 2019, Manganese announced the closing of a private placement with the issuance of 4,150,000 Units of the Company at \$0.12 for gross proceeds of \$497,500. With each Unit being comprised of one (1) common share and one (1) warrant, with each whole warrant giving the warrant-holder the right to purchase one (1) common share for \$0.145 expiring on April 10, 2022. There is a statutory hold period on the Units, which expires on August 10, 2019, being four months from closing. The total gross proceeds of this financing will be used for exploration, growth, research and development, marketing, and general working capital.

The fair value of the 4,150,000 Unit warrants at issue date was \$294,387, as calculated using a Black-Scholes option pricing model with the following assumptions: 36 months expected average life; share price of \$0.12; 100% expected volatility; risk free interest rate of 2.50%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

- i) A total of 230,000 warrants were exercised during the three-month period ended June 30, 2019, the Company issued 230,000 common shares for warrants exercised.
- j) A total of 100,000 stock-options were exercised during the three-month period ended June 30, 2019, the Company issued 100,000 common shares for stock-options exercised.
- k) On July 18, 2019, for the Lac Aux Bouleaux Property located in the Province of Québec, the Company has issued 307,000 common shares to the vendors as per the purchasing agreement.
- l) A total of 1,267,850 warrants were exercised during the three-month period ended December 31, 2019, the Company issued 1,267,850 common shares for warrants exercised.

There were 67,564,845 common shares issued and outstanding as at December 31, 2019 and 67,564,845 at the date of this report compared to 61,509,995 as at March 31, 2019.

Share purchase warrants

As at December 31, 2019, the movement in the number of warrants (post consolidation) outstanding and their weighted average exercise prices are as follows:

| | Warrants # | Weighted average exercise price \$ |
|---------------------------------|-------------------|--|
| Balance - March 31, 2018 | 14 703 875 | 0,20 |
| Issued property acquisition | 500 000 | 0,25 |
| Warrants exercised | (689 850) | 0,10 |
| Warrants exercised | (3 073 000) | 0,25 |
| Warrants expired | (150 400) | 0,05 |
| Warrants expired | (932 300) | 0,15 |
| Balance - March 31, 2019 | 10 358 325 | 0,20 |
| Warrants exercised | (230 000) | 0,20 |
| Private Placement | 4 150 000 | 0,145 |
| Balance - June 30, 2019 | 14 278 325 | 0,19 |
| Warrants expired | (3 259 325) | 0,10 |
| Warrants expired | (1 084 000) | 0,25 |

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| | | |
|-------------------------------------|------------------|-------------|
| Balance - September 30, 2019 | 9 935 000 | 0,20 |
| No transactions | - | - |
| Balance - December 31, 2019 | 9 935 000 | 0,20 |

On January 31, 2019, the Company announced a re-priced for 9,672,000 warrants (excluding finders' warrants), as approved by the TSX Venture Exchange warrant incentive program. The following warrants with an original exercise price of 25 cents were eligible under this warrant incentive program: 4,387,000 warrants expiring in July 2019 and 5,285,000 warrants expiring in February 2020. The new exercise price of the warrants was 11 cents for 30 days expiring March 4th 2019. The exercise Warrant incentive program period for all 9,672,000 warrants was for 30 days starting from January 30, 2019. After March 4, 2019, the exercise price returned to their original exercise price. As at March 31, 2019, the outstanding share purchase warrants were as follows:

| Exercise price | Number outstanding and exercisable | Weighted average remaining contractual life (years) | Expiry dates |
|-----------------------|---|--|---------------------|
| \$0,25 | 5 285 000 | 0,2 | February 2020 |
| \$0,25 | 500 000 | 0,8 | September 2020 |
| \$0,145 | 4 150 000 | 2,3 | April 2022 |
| | 9 935 000 | 0,7 | |

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, less an applicable discount, 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, 2018 | 4 525 000 | 0,16 |
| Options issued | 800 000 | 0,12 |
| Balance – March 31, 2019 | 5 325 000 | 0,15 |
| Options exercised | (100 000) | 0,12 |
| Balance – June 30, 2019 | 5 225 000 | 0,15 |
| Options expired | (1 050 000) | 0,15 |
| Options expired | (825 000) | 0,10 |
| Options issued | 1 950 000 | 0,12 |

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| | | |
|-------------------------------------|------------------|-------------|
| Balance – September 30, 2019 | 5 300 000 | 0,15 |
| Options expired | (200 000) | 0,15 |
| Balance - December 31, 2019 | 5 100 000 | 0,15 |

- The fair value of the 975,000 stock options at the issue date (September 6, 2017) was \$26,075, calculated using the Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.09; 60% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%.
- The fair value of the 950,000 stock options at the issue date (March 09, 2018) was \$34,219, calculated using the Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.15; 60% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%.
- The fair value of the 800,000 stock options at the issue date (January 11, 2019) was \$48,043, calculated using the Black-Scholes option pricing model with the following assumptions: 24 months expected average life; share price of \$0.115; 100% expected volatility; risk free interest rate of 2,50%; and an expected dividend yield of 0%.
- The fair value of the 1,950,000 stock options at the issue date (September 11, 2019) was \$176,093, calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price of \$0.12; 100% expected volatility; risk free interest rate of 2,50%; and an expected dividend yield of 0%.

As at December 31, 2019 stock option issued and outstanding are as follows:

| Options granted and exercisable | Weighted Average Exercise Price (\$) | Expiry dates |
|--|---|---------------------|
| 300 000 | 0,18 | January 2020 |
| 400 000 | 0,21 | February 2020 |
| 800 000 | 0,16 | March 2020 |
| 950 000 | 0,20 | March 2020 |
| 700 000 | 0,12 | January 2021 |
| 1 950 000 | 0,12 | September 2024 |
| 5 100 000 | 0,15 | |

As at December 31, 2019 and the date of this MD&A the share structure of the Company is as follows:

| Outstanding Shares | Warrants & Broker Warrants | Options | Fully Diluted |
|---------------------------|---------------------------------------|----------------|----------------------|
| 67 564 845 | 9 935 000 | 5 100 000 | 82 599 845 |

The company has 67,564,845 shares outstanding as at December 31, 2019 and 82,599,845 shares on a fully diluted basis. As of the date of this MD&A the share structure of the Company is as follows:

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| Outstanding Shares | Warrants & Broker Warrants | Options | Fully Diluted |
|---------------------------|---------------------------------------|----------------|----------------------|
| 67 564 845 | 9 935 000 | 5 100 000 | 82 599 845 |

RESULTS OF OPERATIONS

The Company has currently no mining operations to generate sales and revenues. Detail for the periods ended December 31, 2019 and 2018 are:

| For the period ended December 31, | Three months ended | | Nine months ended | |
|--|---------------------------|-------------|--------------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ |
| Revenues | - | - | - | - |
| Expenses | | | | |
| Bank charges | 114 | - | 1 397 | 11 |
| Exploration expenses (note 11) | 103,179 | 454 247 | 224 264 | 692 370 |
| Foreign exchange loss | 658 | 1 166 | 4 101 | 2 865 |
| Stock-based compensation (note 10) | - | - | 176 093 | - |
| Operating expenses | 21,156 | 35 600 | 107,723 | 54 494 |
| Professional and consulting fees | 84 115 | 47 608 | 247 566 | 186 587 |
| | 209,222 | 538 621 | 761,144 | 936 327 |
| Net loss and comprehensive loss | (209 222) | (538 621) | (761,144) | (936 327) |

Total expenses for the nine-month period ended December 31, 2019 were \$761,044 compared to \$936,327 in 2018, down by \$175,183 (23%).

The main driver for some lower expenses were the total exploration expenses. For the nine-month period ended December 31, 2019 the exploration expenses were \$224,264 (2018 - \$692,370), down by \$468,106 (68%).

The operating expenses were \$107,723 (2018 - \$54,494), up by \$53,229 (107%) compared to 2018 and professional and consulting fees for \$247,566 (2018 - \$186,587), up by \$60,979 (33%) compared to last year.

The Company raised \$200,000 in total flow-through funds during last year and of this amount, \$0 remains restricted to be spend on Canadian Exploration Expenditures as at December 31, 2019. Under IFRS, the

Manganese X Energy Corp.

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Company has chosen to expense all costs related to mineral exploration incurred prior to the point of defining a NI 43-101 compliant resource, attaining economic feasibility, and the acquisition of a mining permit.

Mineral exploration and evaluation expenses on the properties may be subject to exploration and/or mining restrictions. At the date of this report, management is not aware of any restrictions to its exploration activities.

The Company issued 1,950,000 stock options on September 11, 2019. The fair value of the 1,950,000 stock options at the issue date was \$176,093, calculated using the Black-Scholes option pricing model with the following assumptions: 60 months expected average life; share price of \$0.12; 100% expected volatility; risk free interest rate of 2,50%; and an expected dividend yield of 0%.

SUMMARY QUARTERLY INFORMATION

Selected quarterly information for the most recently completed quarters is presented below in Canadian Currency (\$):

| Quarter ended | Consolidated | | | Net loss per share (basic and fully diluted) | Shares (basic and fully diluted) |
|--------------------|--------------|-------------------------|---------------------------------------|--|----------------------------------|
| | Revenues | Net loss for the period | Net comprehensive loss for the period | | |
| | \$ | \$ | \$ | \$ | # |
| December 31, 2019 | - | (209,222) | (209,222) | (0,003) | 67 564 845 |
| September 30, 2019 | - | (418 606) | (418 606) | (0,006) | 67 564 845 |
| June 30, 2019 | - | (133 316) | (133 316) | (0,002) | 65 989 995 |
| March 31, 2019 | - | (268 647) | (268 647) | (0,004) | 61 509 995 |
| December 31, 2018 | - | (538 621) | (538 621) | (0,009) | 58 273 797 |
| September 30, 2018 | - | (348 283) | (348 283) | (0,006) | 55 273 797 |
| June 30, 2018 | - | (49 422) | (49 422) | (0,001) | 54 440 464 |
| March 31, 2018 | - | (338 733) | (338 733) | (0,006) | 53 900 614 |
| December 31, 2017 | - | (104 682) | (104 682) | (0,002) | 46 766 747 |
| September 30, 2017 | - | (414 585) | (414 585) | (0,009) | 46 393 497 |
| June 30, 2017 | - | (481 247) | (481 247) | (0,011) | 45 193 497 |

Since mid-2011, the junior mineral exploration industry in general has been struggling to access capital. The TSX-Venture exchange, which is heavily weighted in mining industry, has declined 58%, reflecting the malaise of the industry. In this environment, the Company's focus has been on cost cutting initiatives to minimize expenses until such time as capital markets improve and the Company is able to raise additional funds needed to fund exploration activities.

The Company has 67,564,845 shares outstanding as at December 31, 2019 and 67,564,845 shares outstanding as at the date of this report.

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Results of Operations - Selected Annual Information

| Period ended, | Dec. 31, 2019 (9 months) | March 31, 2019 (12 months) | Dec. 31, 2018 (9 months) | March 31, 2018 (12 months) | March 31, 2017 (12 months) |
|--------------------------|-------------------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Net Revenues | - | - | - | - | - |
| Total Expenses | 761,144 | 1 204 963 | 936 327 | 1 339 247 | 2 032 675 |
| Net Loss | (761,144) | (1 204 963) | (936 327) | (1 339 247) | (738 339) |
| Net Comprehensive Loss | (761,144) | (1 204 963) | (936 327) | (1 339 247) | (763 595) |
| Loss per share (Basic) | (0,011) | (0,021) | (0,016) | (0,029) | (0,033) |
| Loss per share (Diluted) | (0,009) | (0,021) | (0,012) | (0,029) | (0,033) |
| Total Assets | 1 416 518 | 1 728 562 | 899 645 | 1 224 406 | 1 257 022 |
| Total Liabilities | 312 026 | 750 123 | 83 914 | 93 633 | 130 890 |

Additional Disclosures for Venture Issuers without Significant Revenue

| | Exploration Expenses | Stock-based Compensation | General Administrative Expenses |
|--|---------------------------------|-------------------------------------|--|
| Exploration expenditures December 31, 2019 Other expenses December 31, 2019 | 224 264 | 176 093 | 365 722 |
| Exploration expenditures December 31, 2018 Other expenses December 31, 2018 | 692 370 | | 243 957 |

The exploration expenditures typically include acquisition costs and exploration costs.

The General and Administration costs include the following expenses from the statement of Comprehensive Loss: bank charges, operating expense and professional and consulting fees.

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TRANSACTIONS WITH RELATED PARTIES

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

| For the nine-month period ended December 31, | 2019 | 2018 |
|--|----------------|-------------|
| | \$ | \$ |
| Consulting fees paid to companies controlled by officers | 63 000 | 58 500 |
| Consulting fees paid to a shareholder of the Company | 45 000 | - |
| Management fees paid to officers | 40 267 | 38 909 |
| | 148 267 | 97 409 |

In addition to the above the following related party transactions also took place during the nine-month period ended December 31, 2019. Legal fees of \$68,779 (December 31, 2018 - \$25,000) were paid or accrued to a legal firm in which the Company's Secretary is a partner. Geological Consulting fees in the amount of \$12,000 (December 31, 2018 - \$39,000) were paid to a director and are included under exploration expenses.

| For the three-month period ended December 31, | 2019 | 2018 |
|--|---------------|-------------|
| | \$ | \$ |
| Consulting fees paid to companies controlled by officers | 21 000 | 19 500 |
| Consulting fees paid to a shareholder of the Company | 15 000 | - |
| Management fees paid to officers | 11 921 | 14 534 |
| | 47 921 | 34 034 |

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 | December 31, 2019 | March 31, 2019 |
|---|--------------------------|-----------------------|
| | \$ | (audited) |
| | \$ | \$ |
| Consulting fees paid to companies controlled by officers | 9 773 | 6 071 |
| Exploration expenditures due to directors | 3 802 | 5 010 |

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| | | |
|---|---------------|--------|
| Consulting fees paid to a shareholder of the Company | 5 650 | - |
| Owing to a legal firm in which the corporate secretary is a partner | - | 51 276 |
| | 19 225 | 62 357 |

SUBSEQUENT EVENTS

There were no subsequent events.

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CURRENT AND FUTURE CHANGES IN ACCOUNTING POLICY

Statement of compliance

The interim consolidated financial statements have been prepared in accordance with international accounting standards for financial reporting under IAS 34.

Basis of presentation

The interim 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, warrant liability, and share based payments. Certain comparative figures have been reclassified to conform to the current year's presentation.

Functional and presentation currency

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

Future accounting changes

Information on new standards, amendments and interpretations that are expected to be relevant to the Company's interim consolidated financial statements is provided in the Company's annual audited consolidated financial statements for the year ended March 31, 2019 and the interim consolidated financial statements for the period ended December 31, 2019.

Certain other new standards and interpretations have been issued but had no material impact on the Company's interim consolidated financial statements.

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SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions based on currently available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on managements' experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimated. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates, and assumptions which have the most significant effect on the amounts recognized in the consolidated financial statements:

(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) *Impairment of non-financial assets*

Exploration and evaluation properties are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration property may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company measures, presents and discloses any resulting impairment loss in accordance with IFRS.

Impairment is assessed by management using key impairment indicators of IFRS 6 - Exploration for and evaluation of mineral resources, such assessment is subject to uncertainty.

(iii) *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.

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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 10.

(iv) *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.

(v) *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.

(vi) *Carrying value of Exploration and Evaluation Properties*

The carrying amount and recoverability of exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

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RISK AND UNCERTAINTIES

Manganese's strategy emphasizes developing properties in order to leverage its intellectual property and drive the creation of shareholder value. This strategy has required, and continues to require, significant financings, and is subject to risks associated with mineral prices, mineral resources and operations. Due to the nature of the Company's business, the present stage of development of its mineral resource projects, and the constraints placed upon the Company's ability to move forward by its current liquidity situation, readers should carefully review and consider the financial, environmental and operational risk factors affecting the Company.

Need for Additional Financing

The Company currently has no source of operating cash flow, and there is no assurance that additional funding will be available to the Company as and when needed for further exploration and development of its projects, or to fulfill its obligations to its existing creditors. Volatile markets may make it difficult or impossible for the Company to obtain adequate debt or equity financing in the future, or on terms acceptable to the Company. The failure to obtain additional financing could force the Company to liquidate its assets to satisfy creditor claims.

No Production Revenues

To date, the Company has not achieved revenue from mining operations. There can be no assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, and the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of new properties and other factors, many of which are beyond the Company's control. In particular, the Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel, and equipment associated with advancing exploration, development and commercial production of its properties are added.

The Company does not expect to receive revenues from mining operations in the foreseeable future. The Company expects to continue to incur losses until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability.

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Political and Economic Uncertainties of Operations in Foreign Countries

Changes in the laws and regulations of foreign countries could have a material adverse impact on the business of the Company in respect of such countries. In particular, foreign currency exchange controls, expropriation of assets and profits, foreign ownership controls, and changes in taxation laws, could negatively affect the Company and its business. At the present time, the Company is pursuing equity in projects located in countries where these conditions may occur.

Dependence on Management

The Company's business and operations are dependent on recruiting and retaining the services of a small number of key members of management and qualified personnel. The success of the operations and activities of the Company are dependent, to a significant extent, on the efforts and abilities of the management of the Company. Investors must be willing to rely, to a significant extent, on the discretion and judgment of the management of the Company. Furthermore, while the Company believes that it will be successful in attracting qualified personnel and retaining its current management team, there can be no assurance of such success. The Company does not maintain key employee insurance on any of its employees.

Competition

The business of the Company is intensely competitive. The Company competes with other mining companies for the acquisition of mineral rich properties that can be developed economically, technical expertise and skilled labour in finding, developing and operating such properties and funding. The Company competes with other mining companies that have greater financial and technical resources and experience. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a worldwide basis.

Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees, or to acquire the capital necessary to fund its operations and develop its properties. The inability of the Company to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operations and business.

Title of Mineral Property Rights

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions, mineral leases, licenses, or which are the subject of joint ventures, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. The Company does not carry title insurance with respect to any of its mineral properties in which it currently holds an interest. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to explore or mine that property, likely without compensation for its prior expenditures relating to the property.

Risks and Hazard Relating to Mineral Exploration and Exploitation

Mineral exploration and exploitation involve a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

Manganese X Energy Corp.

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The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful

Risks Relating to Government Regulation

The Company's operations and properties are subject to laws and regulations governing mineral concession acquisition, mine development and prospecting, mining, production, occupational health and safety, labour standards, employment, waste disposal, toxic substances, land use, environmental protection, use of water, exports, taxes, royalties and other matters. It is possible that the Company may not be able to comply with existing and future laws and regulations. In addition, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes to the terms of the Company's permits and agreements, which could have a material adverse impact on the Company's current operations and future development projects. The Company may experience increased costs and delays in production as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there is no assurance that the Company will be able to obtain all required permits on reasonable terms or on a timely basis.

Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in enforcement actions there under, including the loss of the Company's mining concessions, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, fines, penalties or other liabilities. The Company may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

Regulations and Permits

The Company will be required to obtain certain permits in order to carry on operations at its mineral properties. There is no guarantee that such permits, if and when required, will be granted or renewed on terms acceptable to the Company. Furthermore, the Company may be required to obtain additional licenses and permits from various governmental authorities to continue and expand its development and production activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required for future development, construction and operations.

The Company's activities are also subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and

Manganese X Energy Corp.

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archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all.

The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Dividends Unlikely

The Company has not declared or paid any dividends since the date of its incorporation and does not currently anticipate that dividends will be declared in the short or medium term. Earnings, if any, will be retained to finance further development of the Company's business.

Uninsurable Risks

Mineral exploration and exploitation activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of the common shares of the Company. The Company does not maintain insurance against environmental risks.

Inability to Enforce Legal Rights in Certain Circumstances

In the event a dispute arises in another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Company's assets are governed or located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities legislation.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect the Company's financial position and results. The Company incurs certain costs in U.S. dollars, Peruvian Nuevo Soles, Euros and British Pounds, while financial results are reported in Canadian dollars. Currency exchange fluctuations may materially adversely affect the Company's future cash flows, results of operations and financial condition. The Company does not currently engage in hedging or have a policy in place for managing or controlling foreign currency risks.

Share Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly development stage companies, have experienced wide fluctuations in price that have not necessarily been related to the operating performance,

Manganese X Energy Corp.

Management's, Discussion and Analysis

For the third quarter period ending December 31, 2019

underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers may serve as directors or officers of other reporting companies, companies providing services to the Company, or companies in whom they may have significant shareholdings. To the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interest of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Potential Dilution

The issue of Common Shares of the Company upon the exercise of outstanding options and warrants will dilute the ownership interest of the Company's current Shareholders. The Company may also issue additional option and warrants or additional Common Shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

Readers are encouraged to read and consider the risk factors, which are incorporated in this MD&A, and additional information regarding the Company, the SEDAR website at www.sedar.com.

Signed: "Martin Kepman"

Martin Kepman
Chief Executive Officer

Manganese X Energy Corp.
February 27, 2020
Saint-Laurent, Quebec
Canada