

**MANGANESE X ENERGY CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE MONTHS ENDED JUNE 30, 2023**

**UNAUDITED**

**(Expressed in Canadian dollars)**

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## Notice of Disclosure of Non-auditor Review of the Interim Financial Statements

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

The accompanying unaudited interim condensed consolidated financial statements of the Company for the interim periods ended June 30, 2023 and 2022 have been prepared in accordance with international accounting standards for interim financial reporting under IAS 34. The accompanying unaudited interim condensed consolidated financial statements are the responsibility of the Company's management.

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

August 28, 2023

*/s/ Martin Kepman*  
Chief Executive Officer

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

As at,	June 30, 2023	March 31, 2023
	\$	\$
<b>ASSETS</b>		
<i>Current assets</i>		
Cash & cash equivalents (note 7)	2,960,671	3,323,431
Prepaid expenses	206,476	308,148
Sales taxes receivable	231,063	209,913
<b>Total current assets</b>	<b>3,398,210</b>	<b>3,841,492</b>
<i>Long-term assets</i>		
US Patent (note 8)	101,250	105,000
<b>Total assets</b>	<b>3,499,460</b>	<b>3,946,492</b>
<b>LIABILITIES</b>		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities (note 10)	83,186	106,850
<b>Total liabilities</b>	<b>83,186</b>	<b>106,850</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 11)	20,377,118	20,377,118
Reserves	8,875,153	8,875,153
Deficit	(25,835,997)	(25,412,629)
<b>Total shareholders' equity</b>	<b>3,416,274</b>	<b>3,839,642</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>3,499,460</b>	<b>3,946,492</b>

Going concern (Note 2) and subsequent events (Note 18)

The Company's board of directors approved the condensed interim consolidated financial statements on August 28, 2023.

APPROVED BY THE BOARD OF DIRECTOR

Signed "Martin Kepman" \_\_\_\_\_ Director

Signed "Jay Richardson" \_\_\_\_\_ Director

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

**MANGANESE X ENERGY CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2023**  
(Unaudited, expressed in Canadian dollars)

	SHARE CAPITAL		RESERVES	DEFICIT	TOTAL
	#	\$	\$	\$	\$
<b>Balance, as at Mar 31, 2021 (Restated)</b>	<b>124,250,407</b>	<b>17,322,113</b>	<b>6,720,645</b>	<b>(18,304,957)</b>	<b>5,737,801</b>
Stock option issued	-	-	324,001	-	324,001
Warrants exercised	307,500	55,167	(9,042)	-	46,125
Stock-based compensation reserve	-	-	2,092,617	-	2,092,617
Dividend distribution (note 12)	-	-	-	(1)	1
Net loss for the period	-	-	-	(4,274,412)	(4,274,412)
<b>Balance, as at Mar 31, 2022 (restated)</b>	<b>124,557,907</b>	<b>17,377,280</b>	<b>9,128,221</b>	<b>(22,579,370)</b>	<b>3,926,134</b>
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	411,736	-	1,925,828
Warrants expired	-	623,143	(623,143)	-	-
Warrants cancelled	-	44,769	(44,769)	-	-
Net loss for the period	-	-	-	(2,833,260)	(2,833,260)
<b>Balance, as at Mar 31, 2023</b>	<b>135,763,865</b>	<b>20,377,118</b>	<b>8,875,153</b>	<b>(25,412,629)</b>	<b>3,839,642</b>
Net loss for the period	-	-	-	(423,368)	(423,368)
<b>Balance, as at June 30, 2023</b>	<b>135,763,865</b>	<b>20,377,118</b>	<b>8,875,153</b>	<b>(25,835,997)</b>	<b>3,416,274</b>

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

**MANGANESE X ENERGY CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2023**  
**(Unaudited, expressed in Canadian dollars)**

<b>For the three-months period ended,</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	-	-
<b>Cash Expenses</b>		
Exploration expenses (note 10)	174,205	291,082
Other operating expenses	40,553	51,885
Management fees	81,464	65,476
Professional and consulting fees	108,020	273,165
Printing, Postage and mailing expense including re: Plan of Arrangement	9,462	3,094
Advertising and marketing	5,669	90,302
Foreign exchange loss	245	2,015
	<b>419,618</b>	<b>777,019</b>
<b>Non-cash Expenses/(income)</b>		
Stock-based compensation- Non-Cash (note 12)	-	58,335
Amortisation	3,750	3,750
	<b>3,750</b>	<b>62,085</b>
<b>Net loss and comprehensive loss</b>	<b>423,368</b>	<b>839,104</b>
Loss per share - basic & diluted	<b>0.003</b>	0.007
Weighted average number of shares outstanding	<b>135,763,865</b>	126,478,237

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

**MANGANESE X ENERGY CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2023**  
**(Unaudited, expressed in Canadian dollars)**

<b>For the three-months period ended,</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash used in operating activities</b>		
Net loss for the period	<b>(423,368)</b>	(839,104)
<i>Adjustments for items not involving cash:</i>		
Stock based compensation	-	58,335
Amortisation	<b>3,750</b>	3,750
<i>Changes in non-cash working capital items:</i>		
Receivables and other	<b>(21,150)</b>	(43,974)
Prepaid expenses	<b>101,672</b>	68,799
Accounts payable and accrued liabilities	<b>(23,664)</b>	149,982
	<b>(362,760)</b>	(602,212)
<b>Cash used in investing activities</b>		
	-	-
<b>Cash flows from financing activities</b>		
Warrants exercised	-	597,500
Options exercised	-	20,000
	-	617,500
Increase (decrease) in cash and cash equivalents	<b>(362,760)</b>	15,288
Cash and cash equivalents, beginning of the period	<b>3,323,431</b>	3,511,198
<b>Cash and cash equivalents, end of the period</b>	<b>2,960,671</b>	3,526,486

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

**MANGANESE X ENERGY CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED JUNE 30, 2023**  
**(Unaudited, expressed in Canadian dollars)**

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**1. GENERAL INFORMATION**

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

The Company's shares are listed under the symbol MN on the TSX Venture Exchange (the "Exchange") and 9SC2 on the Frankfurt Exchange and MNXXF on the Over-the-Counter market in the United States. The registered office of the Company is located at 145 Graveline, Saint-Laurent, Quebec, Canada and it maintains a place of business at 120 Carlton St. Suite 219 in Toronto.

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 28, 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 three-months period ended June 30, 2023, the Company recorded a net comprehensive loss of \$423,368 (June 30, 2022 – \$839,104) and had an accumulated deficit of \$25,835,997 (March 31, 2023 - \$25,412,629) but a positive shareholders' equity of \$3,416,274 and cash of \$2,960,671. 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 condensed 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.

**MANGANESE X ENERGY CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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### **3. BASIS OF PRESENTATION**

#### ***Statement of compliance***

These interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and effective as of June 30, 2023.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These interim condensed consolidated financial statements of the Company have been prepared using historical costs and fair values of certain items. Items measured at fair value include cash held in foreign currencies, warrants, and share based payments. Certain comparative figures have been reclassified to conform to the current year's presentation.

#### ***Basis of consolidation***

The consolidated financial statements of the Company include the accounts of its 100% wholly owned subsidiaries Disruptive Battery Corp. located in Canada but with operations in the United States. All significant inter-company transactions and balances have been eliminated upon consolidation.

The subsidiary is fully consolidated from the date of acquisition and will continue to be consolidated until the date control over the subsidiary 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 SIGNIFICANT ACCOUNTING POLICIES**

Readers should refer to the March 31, 2023 annual audited consolidated financial statements for the accounting policies used in the preparation of these condensed interim consolidated financial statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway.

Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at March 31, 2024. In the event that accounting policies adopted at March 31, 2024 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at March 31, 2024.

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**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 disclosed in the annual audited consolidated financial statements.

See annual consolidated financial statements for the years ended March 31, 2023 and 2022 for a list of accounting estimates and judgements considered significant by management.

**6. FUTURE ACCOUNTING PRONOUNCEMENTS**

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after 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.

**7. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are as follows:

	<b>June 30, 2023</b>	<b>Mar 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Cash Canadian banks	<b>134,634</b>	3,317,449
Cash held in Capital Transfer Agency Trust Account	-	5,983
Cash held in Saving Account	<b>2,826,037</b>	-
	<b>2,960,671</b>	3,323,432

**8. 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.

	<b>Opening</b>	<b>Additions</b>	<b>Amortization</b>	<b>Net</b>
Patent	\$ 105,000	\$ -	\$ 3,750	\$ 101,250

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## **9. 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:

The Company made the first cash payment deposit of \$100,000 on April 28, 2016 and a final cash payment of \$100,000 on February 3, 2017. As at March 31, 2018, a total of 2,400,000 shares were issued as per the option agreement including 400,000 shares as finder's fees common shares. The Company made the first share payment of 1 million shares on December 4<sup>th</sup> 2016 and an additional second share payment of 1 million shares on April 22, 2017. On November 30, 2018 the Company issued the final tranche of shares required under the option agreed by issuing 2,000,000 common shares at a value of \$0.12 each for a total value of \$240,000 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.

## **10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Trade payables as at June 30, 2023 are \$83,186 (March 31, 2023 - \$106,850). Accounts payable includes an amount of \$2,502 (March 31, 2023 - \$22) due to related parties (see Note 12).

## **11. 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

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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) No warrants were exercised during the three-months period ended June 30, 2023.
- c) No options were exercised during the three-months period ended June 30, 2023.

**C Share purchase warrants**

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

	Warrants #	Weighted average exercise price \$
<b>Balance -Mar 31, 2021</b>	<b>24,607,992</b>	<b>0.27</b>
Warrants exercised	(307,500)	0.15
<b>Balance -Mar 31, 2022</b>	<b>24,300,492</b>	<b>0.27</b>
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
<b>Balance -Mar 31, 2023</b>	<b>21,271,919</b>	<b>0.25</b>
-	-	-
<b>Balance -June 30, 2023</b>	<b>21,271,919</b>	<b>0.25</b>

As at June 30, 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	0.18	Sep 2023
\$0.150	172,000	0.17	Aug 2023
\$0.320	4,507,978	1.43	Dec 2024
\$0.320	642,789	1.43	Dec 2024
\$0.440	3,958,212	1.62	Feb 2025
<b>Balance -June 30, 2023</b>	<b>21,271,919</b>	<b>0.75</b>	

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Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry dates
\$0.150	12,030,940	1.18	Sep 2023
\$0.150	172,000	1.17	Sep 2023
\$0.400	6,000,000	0.29	Oct 2022
\$0.440	3,958,212	0.62	Feb 2023
\$0.440	89,340	0.62	Feb 2023
<b>Balance -June 30, 2022</b>	<b>22,250,492</b>	<b>0.8</b>	

**D Stock options**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, not less than the previous day's Closing Price, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. The option activity, under the share option plan and information concerning outstanding and exercisable options is as follows:

	No. of Options Vested	Weighted Average Exercise Price (\$)
<b>Balance - Mar 31, 2021 (restated)</b>	<b>6,650,000</b>	<b>0.46</b>
Options issued	300,000	0.50
Options issued	5,500,000	0.40
<b>Balance -Mar 31, 2022 (restated)</b>	<b>12,450,000</b>	<b>0.43</b>
Options exercised	(100,000)	0.20
<b>Balance -Mar 31, 2023</b>	<b>12,350,000</b>	<b>0.44</b>
	-	-
<b>Balance -June 30, 2023</b>	<b>12,350,000</b>	<b>0.44</b>

As at June 30, 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
<b>Balance -June 30, 2023</b>	<b>12,350,000</b>	<b>12,350,000</b>	<b>0.44</b>	

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	Options granted	Options exercisable	Weighted Average Exercise Price (\$)	Expiry dates
	300,000	300,000	0.12	September 2024
	1,400,000	1,400,000	0.20	September 2023
	700,000	700,000	0.86	September 2023
	800,000	800,000	0.25	December 2023
	2,600,000	1,733,333	0.63	February 2026
	300,000	300,000	0.50	April 2026
	5,500,000	5,500,000	0.40	March 2027
<b>Balance -June 30, 2022</b>	<b>11,600,000</b>	<b>10,733,333</b>	<b>0.44</b>	

## 12. 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 three months period ended June 30,	2023 \$	2022 \$
Management fees paid to companies controlled by officers	81,464	65,476
Exploration expenditures paid to an officer	6,592	8,810
Legal and professional fees paid to a firm of which Company's Secretary is a partner	-	7,572
Stock-Based compensation expense - directors and officers	-	40,386
	<b>88,056</b>	122,244

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	June 30, 2023 \$	June 30, 2022 \$
Consulting fees payable to companies controlled by officers and Directors	-	3,390
Owing to a legal firm in which the corporate secretary is a partner	2,502	3,859
	<b>2,502</b>	7,249

## 13. EARNINGS PER SHARE ("EPS")

### (a) Basic EPS

Basic EPS is computed by dividing net income for a period by the weighted average number of common shares outstanding during that period.

### (b) Diluted EPS

Diluted EPS is computed by dividing net income for a period by the diluted number of common shares. Diluted common shares includes the effects of instruments, such as share options, which could cause the number of common shares outstanding to increase.

The Company reported net losses for the periods ended March 31, 2023 and 2022; the Company has accordingly presented basic and diluted EPS, which are the same, on a single line in the statements of comprehensive loss.

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**(Unaudited, expressed in Canadian dollars)**

Diluted loss per share did not include the effect of share purchase options and warrants as they would be anti-dilutive.

**14. SEGMENTED INFORMATION**

The Company operates in two reportable operating segments, being the acquisition and exploration of mineral property interests in Canada and technology development through its subsidiary Disruptive Battery Corp. (DBC), which includes a HVAC systems to respond to air quality needs. All of the Company's exploration activities are focussed on exploration projects located in Canada while DBC's activities are primarily carried on through its 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 three-months period ended,	June 30, 2023			June 30, 2022		
	\$ Manganese	\$ Disruptive	\$ Total	\$ Manganese	\$ Disruptive	\$ Total
<b>Revenues</b>	-	-	-	-	-	-
<b>Cash Expenses</b>						
Exploration expenses	174,205	-	174,205	291,082	-	291,082
Other operating expenses	40,538	15	40,553	51,864	21	51,885
Management fees	81,464	-	81,464	65,476	-	65,476
Professional and consulting fees	108,020	-	108,020	273,165	-	273,165
Printing, Postage and mailing expense including re: Plan of Arrangement	9,462	-	9,462	3,094	-	3,094
Advertising and marketing	5,669	-	5,669	90,302	-	90,302
Foreign exchange loss	245	-	245	2,015	-	2,015
	419,604	15	419,618	776,998	21	777,019
<b>Non- cash Expenses</b>						
Stock-based compensation	-	-	-	58,335	-	58,335
Amortisation	3,750	-	3,750	3,750	-	3,750
	3,750	-	3,750	62,085	-	62,085
<b>Net loss and comprehensive loss</b>	<b>423,354</b>	<b>15</b>	<b>423,368</b>	<b>839,083</b>	<b>21</b>	<b>839,104</b>

**15. CAPITAL MANAGEMENT**

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

The Company, beyond its present cash resources, currently is dependent on externally provided equity financing to fund its future activities. In order to carry out planned exploration and development and fund administrative and DBC's costs, the Company will allocate its existing capital and plans to raise additional amounts as needed through equity and related party advances if available. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable for the current state of the markets and its place in its activities.

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

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cover general and administrative expenses for a period of 12 months. As of June 30, 2023, 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.

## **16. FINANCIAL INSTRUMENTS**

At June 30, 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.

## **17. 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 \$245 related to its foreign currency transactions for the three-months period ended June 30, 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

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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.

**18. SUBSEQUENT EVENTS**

No subsequent events to report.