CANADIAN MANGANESE COMPANY INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(UNAUDITED)

CANADIAN MANGANESE COMPANY INC.

Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2023

Unaudited

Expressed in Canadian Dollars	Notes	September 30, 2023	December 31, 2022
Assets		$	$
Current assets			
Cash	7	25,541	1,029,923
Sales taxes receivable		103,337	148,782
Prepaid expenses		26,416	38,629
Total current assets		155,294	1,217,334
Non-current assets			
Exploration and evaluation assets	5	17,279,306	14,434,958
Prepaid exploration expenses		94,481	65,030
Lease	6	72,830	113,796
Total non-current assets		17,446,617	14,613,784
Total assets		17,601,911	15,831,118
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	3,833,208	778,442
Current portion of lease obligation	6	56,849	54,272
Total current liabilities		3,890,057	832,714
Non-current liabilities			
Lease obligation	6	19,744	62,709
Total non-current liabilities		19,744	62,709
Total liabilities		3,909,801	895,423
Equity			
Share capital	10	24,571,993	24,571,993
Warrants	11	795,130	795,130
Share-based payment reserve	14	2,192,987	2,114,669
Deficit		(17,944,499)	(16,693,867)
Equity attributable to equity holders of the Company		9,615,611	10,787,925
Non-controlling interest	15	4,076,499	4,147,770
Total equity		13,692,110	14,935,695
Total equity and liabilities		17,601,911	15,831,118

GOING CONCERN (Note 1)

COMMITMENTS AND CONTINGENCIES (Note 5, 6 and 18)

SUBSEQUENT EVENT (Note 21)

Approved by the Board of Directors on November 10, 2023 and signed on its behalf by:

Signed *"John F. Kearney",* Director   Signed *"W. Matthew Allas",* Director

See accompanying notes to the condensed interim consolidated financial statements

CANADIAN MANGANESE COMPANY INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2023 and 2022

Unaudited

Expressed in Canadian Dollars	Notes	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
		$	$	$	$
General and administrative expenses:					
Employment compensation	17	(128,409)	(127,898)	(395,234)	(376,609)
Share-based compensation	14	(28,848)	(90,335)	(78,318)	(396,476)
Legal		-	(1,280)	(14,611)	(62,100)
Audit		(19,000)	(21,093)	(57,000)	(89,218)
Lease depreciation	6	(13,656)	-	(40,967)	-
Administration costs		(33,988)	(40,113)	(137,403)	(161,741)
Investor relations		(26,204)	(98,475)	(137,689)	(274,516)
Corporate development		(104,528)	(49,264)	(335,197)	(212,131)
Exchange costs		(12,738)	(2,606)	(63,126)	(113,707)
Filing fees		(5,807)	(3,162)	(42,396)	(58,795)
(Loss) before other items		(373,178)	(434,226)	(1,301,941)	(1,745,294)
Property expense	5	-	-	(15,350)	(33,450)
Flow-through share premium reversal		-	78,174	-	502,848
Non-cash deemed interest expense	6	(1,328)	-	(4,612)	-
CEBA loan foregiveness	9	-	-	-	10,000
Total other items		(1,328)	78,174	(19,962)	479,398
Total (loss) and comprehensive (loss) for the period		(374,506)	(356,053)	(1,321,903)	(1,265,896)
Net (loss) and comprehensive (loss) attributable to:					
Shareholders of the Company	4	(361,492)	(322,515)	(1,250,632)	(1,169,531)
Non-controlling interest	15	(13,014)	(33,537)	(71,271)	(96,364)
Total (loss) and comprehensive (loss) for the period		(374,506)	(356,053)	(1,321,903)	(1,265,895)
(Loss) per share					
Basic and diluted (loss) per share	4	(0.003)	(0.004)	(0.009)	(0.008)
Weighted average number of common shares outstanding					
Basic and diluted		145,029,580	145,085,341	145,029,580	144,803,917

See accompanying notes to the condensed interim consolidated financial statements

CANADIAN MANGANESE COMPANY INC.

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2023 and 2022

Unaudited

Expressed in Canadian Dollars	Share Capital $	Warrants $	Share-based payment reserve $	Deficit $	Attributable to equity holders of the company $	Non-Controlling Interest $	Total $
Balance as at December 31, 2021	24,519,118	795,130	1,605,799	(14,958,609)	11,961,438	4,213,408	16,174,846
Restricted share units	-	-	220,688	-	220,688	-	220,688
Restricted share units exercised	52,875	-	(52,875)	-	-	-	-
Stock options	-	-	175,788	-	175,788	-	175,788
Increase in non-controlling interest in Mongoose	-	-	-	-	-	40,000	40,000
Net loss for the period	-	-	-	(1,169,531)	(1,169,531)	(96,364)	(1,265,894)
Balance as at September 30, 2022	24,571,993	795,130	1,949,400	(16,128,140)	11,188,383	4,157,044	15,345,427
Restricted share units	-	-	112,813	-	112,813	-	112,813
Stock options	-	-	52,457	-	52,457	-	52,457
Net loss for the period	-	-	-	(565,728)	(565,728)	(9,274)	(575,002)
Balance as at December 31, 2022	24,571,993	795,130	2,114,669	(16,693,867)	10,787,925	4,147,770	14,935,695
Restricted share units	-	-	34,111	-	34,111	-	34,111
Stock options	-	-	44,207	-	44,207	-	44,207
Net loss for the period	-	-	-	(1,250,632)	(1,250,632)	(71,271)	(1,321,903)
Balance as at September 30, 2023	24,571,993	795,130	2,192,987	(17,944,499)	9,615,611	4,076,499	13,692,110

See accompanying notes to the condensed interim consolidated financial statements

CANADIAN MANGANESE COMPANY INC.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2023 and 2022

Unaudited

Expressed in Canadian Dollars	Notes	Nine months ended September 30, 2023 $	2022 $
Cash flows provided by (used in) operating activities			
(Loss) for the period		(1,321,903)	(1,265,895)
Share-based compensation	**14**	78,318	396,476
Flow-through share premium reversal		-	(502,848)
Lease depreciation	**6**	40,967	-
Non-cash deemed interest expense	**6**	4,612	-
		(1,198,007)	(1,372,267)
Movements in working capital			
Decrease/(increase) in sales taxes receivable and prepaids		57,658	(58,741)
Increase/(decrease) in amounts payable and accrued liabilities		3,054,766	(308,518)
Net cash provided by (used in) operating activities		1,914,417	(1,739,526)
Cash flows (used in) investing activities			
Investment in exploration and evaluation assets	**5**	(2,844,348)	(2,502,987)
Prepaid exploration expenditures		(29,451)	-
Net cash flows (used in) investing activities		(2,873,799)	(2,502,987)
Cash flows (used in) financing activities			
Lease payments	**6**	(45,000)	-
Repayment of CEBA loan	**9**	-	(30,000)
Net cash flows (used in) financing activities		(45,000)	(30,000)
Net (decrease) in cash		(1,004,382)	(4,272,513)
Cash at beginning of the period		1,029,923	6,002,675
Cash at end of the period		25,541	1,730,162

See accompanying notes to the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Canadian Manganese Company Inc. (the "Company") has interests in exploration and evaluation properties located in eastern Canada. Substantially all of the Company's efforts are devoted to advancing the development of its 100% owned Woodstock manganese project located in the province of New Brunswick.

The Company was incorporated on June 13, 2011 under the laws of Canada. The address of the Company's registered head office is 55 University Ave., Suite 1805, Toronto, Ontario, M5J 2H7, Canada.

The Company's common shares trade in Canadian dollars on the Cboe Canada Exchange (formerly called the NEO Exchange) under symbol CDMN. The Company's common shares also trade on the OTC Market in U.S. dollars under symbol CDMNF.

Effective April 30, 2021, the Company acquired 100% of Maximos Metals Corp. ("Maximos") and, thereby indirectly, Maximos' 53.1% subsidiary Spark Minerals Inc. ("Spark"). Effective November 10, 2021, Spark completed a reverse takeover ("RTO") transaction of Mongoose Mining Ltd. ("Mongoose"), in which the Company's 53.1% equity interest in Spark was exchanged for a 40.7% equity interest in Mongoose. Effective February 9, 2022, Mongoose issued 200,000 common shares as consideration in a property acquisition, diluting the Company's equity interest to 40.5%. Notwithstanding the Company holds less than a majority interest in Mongoose, the Company has determined that it controls Mongoose, due to its dominant equity interest and level of Board representation relative to any other shareholder or group of shareholders. Accordingly, the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and 2022 include consolidation of the accounts of subsidiaries Maximos and subsidiary Mongoose (including Spark).

There has been no determination whether the Company's interests in its properties contain mineral resources that are economically recoverable. There is no assurance that the Company's existing permits will be renewed or that new permits that have been applied for will be granted. Major expenditures are required to locate and establish mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration and evaluation activities, the Company is required to hold certain permits.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next 12 months. The Company anticipates completing a significant financing in the near term. Subject to completing such financing, Management believes it will have sufficient working capital to support planned operations for at least the next 12 months. At September 30, 2023, the Company had not achieved profitable operations, had an accumulated deficit since inception and expects to incur further losses in the advancement of its exploration and evaluation properties. The Company will need to generate additional financial resources in order to advance and develop its exploration and evaluation properties and there is a risk that additional financing will not be available to the Company on a timely basis or on acceptable terms. There are no assurances that the Company will complete its anticipated financing, obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate financing, the Company may ultimately be required to curtail its operations and discontinue as a going concern. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, adjustments would be necessary to the carrying values of the assets and liabilities, reported revenues and expenses, and statement of financial position classifications in these consolidated financial statements. Such adjustments could be material.

Although the Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements reflect the financial position, statement of loss and comprehensive loss, equity and cash flows related to assets and liabilities of the Company and entities controlled by the Company (its subsidiaries).

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a basis consistent with the accounting policies disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2022. The accounting policies set out below were consistently applied to all periods presented, unless otherwise noted.

(Unaudited, expressed in Canadian dollars)

2. BASIS OF PRESENTATION (CONTINUED)

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2022, prepared in accordance with IFRS.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for those items carried at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were prepared on a basis consistent with the accounting policies disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2022, as set out in Note 3 thereof.

Basis of consolidation
These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the reporting period are included in the consolidated statement of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All material intra-Company transactions, balances, income and expenses are eliminated on consolidation.

4. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the period available to ordinary shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed by dividing the loss after taxation for the period by the weighted average number of common shares outstanding, adjusted for the effect of all potential dilutive common shares that were outstanding during the period. Basic and diluted losses per share are the same for the reporting periods, as the exercise of outstanding stock options, RSUs and warrants is anti-dilutive, and is therefore excluded. The computation for basic and diluted loss per share is as follows:

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	$	**$**	**$**	**$**
Numerator				
Net (loss) attributable to Shareholders of the Company	(361,492)	(322,515)	(1,250,632)	(1,169,531)
Denominator	**No. of Shares**	**No. of Shares**	**No. of Shares**	**No. of Shares**
Weighted average number of shares - basic and diluted	145,029,580	145,085,341	145,029,580	144,803,917
(Loss) per share				
Basic and diluted (loss) per share	(0.003)	(0.004)	(0.009)	(0.008)

(Unaudited, expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Woodstock manganese property	Maximos nickel property	Mongoose properties	Total
	$	$	$	$
Balance, December 31, 2021	5,236,940	1	6,153,912	11,390,853
Additions:				
Property acquisitions	-	-	40,000	40,000
Drilling	1,087,031	-	277,958	1,364,989
Geological	476,990	-	250,027	727,017
Technical consulting	170,721	-	14,211	184,932
Consultations	90,000	-	-	90,000
Economic studies	130,388	-	-	130,388
Claims registration	180	-	8,197	8,377
Project management	6,188	-	24,096	30,285
Government grants	-	-	(33,000)	(33,000)
	1,961,498	-	581,489	2,542,987
Balance, September 30, 2022	7,198,438	1	6,735,401	13,933,840
Drilling	64,892	-	157,915	222,807
Geological	84,320	-	62,131	146,451
Technical consulting	47,633	-	11,200	58,833
Community consultation	35,000	-	-	35,000
Economic studies	19,535	-	-	19,535
Claims registration	6,960	-	1,180	8,140
Project management	-	-	10,352	10,352
Government grants	-	-	-	-
	258,340	-	242,778	501,118
Balance, December 31, 2022	7,456,778	1	6,978,179	14,434,958
Additions:				
Drilling	1,971,169	-	-	1,971,169
Geological	609,401	-	12,500	621,901
Technical consulting	105,479	-	35,000	140,479
Community consultation	112,500	-	-	112,500
Claims registration	-	-	5,680	5,680
Project management	-	-	16,619	16,619
Government grants	-	-	(24,000)	(24,000)
	2,798,549	-	45,799	2,844,348
Balance, September 30, 2023	10,255,327	1	7,023,978	17,279,306

The Company holds a 100% interest in the Woodstock manganese property located near the town of Woodstock, in west-central New Brunswick. A portion of the property is subject to a 1% gross sales royalty upon commencement of commercial production, with the Company retaining certain rights to buy back one half of the royalty. Substantially all of the Company's efforts are devoted to advancing the development of the Woodstock manganese project.

All exploration and evaluation assets are carried at cost less any applicable impairment provision.

The realisation of the exploration and evaluation assets is dependent on the successful discovery, development of economic mineral resources, including the ability to raise funds to develop the projects. Should this prove unsuccessful the value included in the statement of financial position would be impaired. By its nature there is inherent uncertainty in the realisation of the exploration and evaluation assets.

Mineral license renewal fees of $15,350 (2022 - $33,450) relating to the Maximos nickel property were expensed in the nine months ended September 30, 2023. Mineral license renewal fees are not capitalized.

(Unaudited, expressed in Canadian dollars)

6. LEASE

On February 1, 2022, the Company entered into an office services agreement granting the right to use the Company's head office premises, which right expires on January 31, 2025.

In accordance with IFRS 16, the Company recorded a lease asset at the outset of the agreement, recognizing the Company's access for the three year period in the amount of $163,866 and a corresponding lease liability in the amount of $163,866. During the nine months ended September 30, 2023, the Company recognized a non-cash depreciation expense in the amount of $40,967 and recognized a deemed non-cash interest expense in the amount of $4,612.

	Nine months ended September 30, 2023	Year ended December 31, 2022
	$	$
Opening balance	113,796	-
Lease asset recognized	-	163,866
Accumulated depreciation	(40,967)	(50,070)
Net book value at September 30, 2023	72,829	113,796
Lease Obligations:		
	$	$
Opening balance	116,981	-
Lease liability recognized	-	163,866
Lease payments	(45,000)	(55,000)
Deemed interest expense	4,612	8,115
Net lease obligations at September 30, 2023	76,593	116,981
	$	$
Within one year	56,849	54,272
Between one and two years	19,744	62,709
Net lease obligations at September 30, 2023	76,593	116,981

7. CASH

Cash comprises cash balances held at a major Canadian bank. Refer to Note 15.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
	$	$
Trade payables	3,675,552	675,209
Accrued liabilities	89,606	78,750
Amounts due to related parties (Note 16)	68,050	24,483
	3,833,208	778,442

9. CEBA LOAN

On May 1, 2020, Maximos received an unsecured, interest-free loan in the principal amount of $40,000 under the Canada Emergency Business Account ("CEBA") program launched by the Government of Canada as a Covid-19 pandemic relief measure. On January 19, 2022, Maximos repaid the full balance of the CEBA loan less a $10,000 forgivable portion.

(Unaudited, expressed in Canadian dollars)

10. SHARE CAPITAL

Authorized
Unlimited number of common shares

Issued	Shares	Amount
	#	$
Balance at December 31, 2021	144,714,580	24,519,118
Shares issued upon exercise of restricted share units	315,000	52,875
Balance at December 31, 2022 and September 30, 2023	145,029,580	24,571,993

On April 5, 2022, 120,000 RSUs were exchanged for 120,000 common shares of the Company. On April 13, 2022, 75,000 RSUs were exchanged for 75,000 common shares of the Company. On September 30, 2022, 120,000 RSUs were exchanged for 120,000 common shares of the Company.

11. WARRANTS

The following table summarizes warrants outstanding as at September 30, 2023.

	Number of Warrants Outstanding	Exercise Price	Expiry Date
		$	
Warrants	4,445,003	0.18	March 17, 2024
Broker warrants	333,333	0.27	April 29, 2024
Balance, December 31, 2021, 2022 and September 30, 2023	4,778,336		

12. STOCK OPTIONS

Shareholders of the Company have approved a stock option plan for directors, officers, management, employees and other persons who perform ongoing services for the Company or any of its subsidiaries. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and to benefit from its growth.

The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed 10% of the total number of common shares outstanding immediately prior to such an issuance. The maximum number of common shares reserved for issuance to any one participant upon the exercise of options is not to exceed 5% of the total number of common shares outstanding immediately prior to such an issuance. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors at the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

As at September 30, 2023, the Company had the following outstanding stock options.

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
		$	
5,278,440	5,278,440	0.18	June 30, 2025
2,650,000	2,650,000	0.25	June 30, 2026
300,000	187,500	0.25	June 30, 2026
8,228,440	8,115,940		

(Unaudited, expressed in Canadian dollars)

12. STOCK OPTIONS (CONTINUED)

The following table summarizes stock option activity for the nine months ended September 30, 2023.

	Number of Options Outstanding	Estimated Grant Date Fair Value	Exercise Price	Expiry Date
		$	$	
Balance, December 31, 2021	7,928,440	1,468,795		
Stock options granted	300,000	59,350	0.25	June 30, 2026
Balance, December 31, 2022 and September 30, 2023	8,228,440	1,528,145		

Effective April 30, 2021, as partial consideration for the Maximos Acquisition, 5,278,440 options of the Company were granted in replacement of 9,500,000 previously granted options of Maximos, with each replacement option exercisable into a common share of the Company at $0.18 per share until September 30, 2025. One-third of the replacement options vested on the grant date, one-third vested on September 30, 2021, and the remaining one-third vested on September 30, 2022. The grant date fair value of the replacement options was estimated at $974,241. The following assumptions were used in calculating the fair value of options granted, using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 124%, risk-free interest rate of 0.93%, share price of $0.225 and an expected life of 4.17 years.

Effective September 30, 2021, 2,650,000 options were granted to directors, officers and service providers of the Company, with each such option exercisable into a common share of the Company at $0.25 per share until September 30, 2026, vesting quarterly over a period of two years. The grant date fair value of these options was estimated at $494,554. The following assumptions were used in calculating the fair value of options granted, using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 124%, risk-free interest rate of 0.93%, share price of $0.225 and an expected life of 5 years.

Effective June 30, 2022, 300,000 options were granted to directors of the Company, with each such option exercisable into a common share of the Company at $0.25 per share until June 30, 2026, vesting quarterly over a period of two years. The grant date fair value of these options was estimated at $59,350. The following assumptions were used in calculating the fair value of options granted, using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 124%, risk-free interest rate of 0.93%, share price of $0.25 and an expected life of 4 years.

The options outstanding at September 30, 2023 have a weighted average remaining life of 2.25 years.

13. RESTRICTED SHARE UNITS

On June 24, 2021, shareholders of the Company approved a Restricted Share Unit Plan (the "RSU Plan") under which the Company may issue up to 3% of its issued capital (on a rolling basis) as Restricted Share Units (each, an "RSU") to eligible directors, officers, employees and consultants.

The RSU Plan was adopted to provide remuneration and long-term incentives to the Company's directors, executives, employees and service providers, while preserving the Company's cash, and to align the interests of such persons with the long term interests of shareholders. Upon vesting, each RSU entitles the grantee the right to receive, during the payout election period, after deduction of any applicable taxes and other required source deductions, one fully paid common share of the Company, or the then equivalent value in cash, at the Company's discretion.

Effective June 30, 2021, a total of 1,700,000 RSUs were granted to directors, officers, management, employees and consultants. Of these, 1,350,000 RSUs vested immediately and 350,000 RSUs vested on June 30, 2022. All the RSUs granted expire on December 31, 2024.

1,350,000 RSUs granted effective June 30, 2021 were fully recognized as share-based compensation and share-based payment reserve on June 30, 2021, as they fully vested on the grant date. The Company recorded $303,750 to share-based compensation and share-based payment reserve in 2021 in connection with these RSUs, using the grant date fair value of $0.225 per share, based on the issue price in the Financing.

The Company recorded $52,500 to share-based compensation and share-based reserve in 2021 and $26,250 to share-based compensation in 2022 related to the 350,000 RSUs granted on June 30, 2021 that did not vest until June 30, 2022, using the grant date fair value of $0.225 per share.

(Unaudited, expressed in Canadian dollars)

13. RESTRICTED SHARE UNITS (CONTINUED)

Effective March 31, 2022, 240,000 RSUs were granted to a consultant, 120,000 of which vested immediately, and 120,000 of which vested on June 30, 2022, all of which had an expiry date of December 31, 2024. The Company recorded $36,000 to share-based compensation and share-based payment reserve in 2022 in connection with these RSUs, using the grant date market value of $0.15 per share.

On April 5, 2022, 120,000 RSUs were exchanged for 120,000 common shares of the Company. On April 13, 2022, 75,000 RSUs were exchanged for 75,000 common shares of the Company. On June 30, 2022, 120,000 RSUs were exchanged for 120,000 common shares of the Company.

Effective June 30, 2022, a total of 845,000 RSUs were granted to directors, officers, management and a consultant. Of these, 422,500 RSUs vested immediately and 422,500 RSUs vested on June 30, 2023. All the RSUs granted expire on December 31, 2025. The Company recorded $211,250 to share-based compensation and share-based payment reserve in 2022 in connection with these RSUs, using the grant date market value of $0.25 per share.

Effective September 30, 2022, a total of 178,572 RSUs were granted to directors. These 178,572 RSUs vested on December 31, 2022. All the RSUs granted expire on December 31, 2025. The Company recorded $30,000 to share-based compensation and share-based reserve in 2022 in connection with these RSUs, using the grant date market value of $0.168 per share.

Effective December 31, 2022, a total of 192,306 RSUs were granted to directors. These 192,306 RSUs vested on December 31, 2022. All the RSUs granted expire on December 31, 2025. The Company recorded $30,000 to share-based compensation and share-based reserve in 2022 in connection with these RSUs, using the grant date market value of $0.156 per share.

Effective March 31, 2023, a total of 187,500 RSUs were granted to directors. These 187,500 RSUs will vest on December 31, 2023, and will expire on December 31, 2026. The Company recorded $20,000 to share-based compensation and share-based reserve during the nine months ended September 30, 2023 in connection with these RSUs, using the grant date market value of $0.16 per share.

Effective June 30, 2023, a total of 335,980 RSUs were granted to directors. These 335,980 RSUs will vest on December 31, 2023, and will expire on December 31, 2026. The Company recorded $14,111 to share-based compensation and share-based reserve during the nine months ended September 30, 2023 in connection with these RSUs, using the grant date market value of $0.084 per share.

Effective September 30, 2023, a total of 289,856 RSUs were granted to directors. These 289,856 RSUs will vest on December 31, 2023, and will expire on December 31, 2026.

The following table sets out the terms of RSUs outstanding as at September 30, 2023:

RSU Terms				
Number	Grant Date	Vesting Date	Commencement of Payout Election Period	Expiry Date
1,275,000	30-Jun-21	30-Jun-21	01-Apr-22	31-Dec-24
350,000	30-Jun-21	31-Mar-22	01-Jan-23	31-Dec-24
422,500	30-Jun-22	30-Jun-22	01-Jan-24	31-Dec-25
422,500	30-Jun-22	31-Dec-22	01-Jan-24	31-Dec-25
178,572	30-Sep-22	31-Dec-22	01-Jan-24	31-Dec-25
192,306	31-Dec-22	31-Dec-22	01-Jan-24	31-Dec-25
187,500	31-Mar-23	31-Dec-23	01-Jan-25	31-Dec-26
335,980	30-Jun-23	31-Dec-23	01-Jan-25	31-Dec-26
289,856	30-Sep-23	31-Dec-23	01-Jan-25	31-Dec-26
3,654,214				

(Unaudited, expressed in Canadian dollars)

13. RESTRICTED SHARE UNITS (CONTINUED)

The following table summarizes the RSU activity for the nine months ended September 30, 2023.

	Number of RSUs outstanding
Balance, December 31, 2021	1,700,000
RSUs exercised	(315,000)
RSUs granted	1,455,878
Balance, December 31, 2022	2,840,878
RSUs granted	813,336
Balance, September 30, 2023	3,654,214

14. SHARE-BASED PAYMENT RESERVE

The following table sets out the share-based payment reserve activity for the nine months ended September 30, 2023.

	$
Balance, December 31, 2021	1,605,799
Stock options	175,788
Restricted share units	(52,875)
Restricted share units exercised	220,688
Balance, September 30, 2022	1,949,400
Stock options	52,457
Restricted share units	112,812
Balance, December 31, 2022	2,114,669
Stock options	44,207
Restricted share units	34,111
Balance, September 30, 2023	2,192,987

Refer to Notes 12 and 13.

15. NON-CONTROLLING INTEREST

As at September 30, 2023, non-controlling interest ("NCI") represents the 59.5% equity interest (2022 - 59.5%) of Mongoose not controlled by the Company.

As at September 30, 2023, Mongoose had the following options granted and outstanding: (i) 325,544 options exercisable at $0.285 per Mongoose share until November 28, 2024; (ii) 360,000 options exercisable at $0.05 per Mongoose share until September 30, 2025; and (iii) 900,000 options exercisable at $0.30 per Mongoose share until June 1, 2027.

As at September 30, 2023, Mongoose had the following warrants issued and outstanding: 2,500,000 warrants exercisable at $0.25 per share until December 30, 2023.

As at September 30, 2023, Mongoose had cash of $16,391 (December 31, 2022 - $85,207).

(Unaudited, expressed in Canadian dollars)

16. RELATED PARTY TRANSACTIONS

Information concerning the subsidiaries of the Company at September 30, 2023 and 2022 is set out below.

Subsidiary	% held by the Company at September 30, 2023 and 2022	Jurisdiction of incorporation
Technology Metals Inc. (Maximos)	100% directly	Canada
Mongoose Mining Ltd. (owned by Technology Metals Inc.)	40.5% indirectly	Ontario
Spark Minerals Inc. (owned 100% by Mongoose)	40.5% indirectly	Nova Scotia

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed.

During the nine months ended September 30, 2023, the Company paid or accrued $240,000 to related parties, including a $45,000 management fee (September 30, 2022 - $45,000) to Energold Minerals Inc. (“Energold”), a company controlled by John F. Kearney, a director; a $37,500 management fee (September 30, 2022 - $37,500) to 2348035 Ontario Corp., a company controlled by W. Matthew Allas, an officer; a $112,500 management fee to PDM Strategies Inc., a company controlled by David Alward, an officer; and $45,000 in office rent (September 30, 2022 - $42,000) to Buchans Resources Limited (“Buchans”), a company in which John F. Kearney serves as a director and officer.

Included in accounts payable and accrued liabilities at September 30, 2023 is $14,125 (December 31, 2022 - $18,833) payable to 2348035 Ontario Corp., $33,900 payable to Energold (December 31, 2022 - $5,650), $14,375 payable to PDM Strategies Inc. and $5,650 payable to Buchans. These amounts are unsecured, non-interest bearing and due on demand.

16. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other key management personnel (i) during the nine months ended September 30, 2023 and 2022 was as follows.

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	$	$
Short-term compensation (ii)	475,500	324,000
Share based compensation (iii)	72,309	322,659
	547,809	646,659

(i) In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.
(ii) Short-term compensation includes cash based salaries, bonuses and allowances, employment benefits and directors' fees.
(iii) Share based compensation includes stock option and RSU expense recognized during the period.

During the nine months ended September 30, 2023, $112,500 of short-term compensation of key management personnel included above was capitalized to exploration and evaluation assets as community consultation costs.

As at September 30, 2023, $80,167 (September 30, 2022 - $9,167) of short-term compensation remained payable to key management personnel. These amounts are unsecured, non-interest bearing and due on demand.

17. COMMITMENTS AND CONTINGENCIES

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

On January 31, 2022, the Company's common shares commenced trading on the Cboe Canada Exchange (formerly, the NEO Exchange). Effective commencement of trading, the Company is subject to ongoing conditional listing capital requirements of the NEO Exchange, which require the Company to meet at least one of the following criteria: (i) maintain shareholders' equity of at least $2,500,000; (ii) report annual net income from continuing operations of at least $375,000; (iii) maintain a market value of the Company's listed shares of at least $25,000,000; or (iv) report assets and annual revenue of at least $25,000,000 each. The Company was in compliance with the ongoing conditional listing capital requirements of the Cboe Canada Exchange during the three and nine months ended September 30, 2023.

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

At September 30, 2023, the Company was party to certain management agreements. Minimum commitments under the agreements are in aggregate $562,000 in the next year. These agreements also provide for payments of up to an aggregate of $1,000,000 in the event of a change of control. As such an event has not occurred, the contingent payments have not been accrued for in these condensed interim consolidated financial statements.

18. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during the financial statement reporting periods.

Fair value
The carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities, lease obligation and CEBA loan on the consolidated statements of financial position approximate fair value because of the limited term of these instruments.

Interest rate risk
The Company's current policy is to maintain its cash in accounts at a major Canadian bank. The Company is satisfied with the credit ratings of its banks. The Company has no interest-bearing debt.

Credit risk
Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's risk is low as it is primarily attributable to funds held in bank accounts.

Commodity price risk
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals and metals, particularly manganese.

Fair value hierarchy and liquidity risk disclosure
The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). During the periods presented, the Company did not have any material financial instruments measured at fair value that require classification within the fair value hierarchy.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices.

Capital risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain and explore its exploration assets. The capital structure of the Company consists of shareholders' equity.

20. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity.

The Company's objective when managing capital is to maintain adequate levels of funding, done primarily through equity financing, to support the exploration, development and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

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 significant changes to the Company's approach to capital management during the three and nine months ended September 30, 2023.

21. SUBSEQUENT EVENT

On October 2, 2023 (the "Issue Date"), the Company completed a non-brokered private placement of $5,000,000 principal amount of senior secured convertible debenture (the "Convertible Debenture"). The net proceeds from the sale of the Convertible Debenture, before legal and other issuance costs, were $4,800,000, after a 4% original issue discount.

The details of the Convertible Debenture are as follows: (i) the Convertible Debenture will mature on October 2, 2025 (if not otherwise converted or prepaid) (the "Maturity Date"); (ii) the Convertible Debenture will bear interest at a rate of 14% per annum, payable semi-annually in arrears; (iii) the Company shall have a right to prepay or repay a part or the entire principal amount of the Convertible Debenture at par plus accrued and unpaid interest at any time prior to the first anniversary of the Issue Date upon payment of a fee in the amount 10% of the principal amount together with interest payable until the first anniversary of the Issue Date and at any time after the first anniversary of the Issue Date up to and including on the Maturity Date upon payment of a fee in the amount 21% of the principal amount together with interest to the Maturity Date; (iv) the Convertible Debenture will be convertible into common shares of the Company at the option of the holder at any time prior to the Maturity Date, at a conversion price of $0.33 per common share, subject to typical adjustment provisions; and (v) the Convertible Debenture is secured by first ranking security over all of the Company's assets.

The net proceeds from the sale of the Convertible Debenture will be used for working capital purposes and to fund the advancement of the Company's Woodstock manganese project in New Brunswick.