CANADIAN MANGANESE COMPANY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2024

Dated: August 13, 2024

(Form 51-102F1)

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GENERAL

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements and notes thereto of Canadian Manganese Company Inc. (collectively, with its subsidiaries, "Canadian Manganese" or the "Company") for the three and six months ended June 30, 2024, which are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

At June 30, 2024, and the date of this MD&A, the Company's subsidiaries include Technology Metals Inc. (formerly Maximos Metals Corp.) (owned 100% by Canadian Manganese), Mongoose Mining Ltd. ("Mongoose") (owned 40.5% by Technology Metals Inc.) and Spark Minerals Inc. (owned 100% by Mongoose). Notwithstanding the Company holds less than a majority interest in Mongoose, the Company has determined it controls Mongoose, due to its dominant equity interest and Board representation relative to any other shareholder or group of shareholders.

The Company's common shares trade in Canadian currency on Cboe Canada (formerly the NEO Exchange) under symbol CDMN. Additionally, the Company's common shares trade in U.S. currency on the OTC Pink Market under symbol CDMNF.

All currency amounts in this MD&A are expressed in Canadian dollars, unless otherwise indicated. This MD&A contains forward-looking statements.

COMPANY OVERVIEW

Canadian Manganese is focused on the environmentally responsible development of its wholly-owned manganese project in New Brunswick, Canada (the "Woodstock Project"), consisting of the adjacent Plymouth, North Hartford and South Hartford deposits, with a goal of becoming the global leader in sustainable long-term production of high purity manganese products, especially for the increasingly important North American energy storage manufacturing market. As a supplier of high-purity manganese sulphate monohydrate ("HPMSM"), a critical component of rechargeable lithium-ion batteries used in electric vehicles, the Company's assets have the ability to support the forecast demand required to facilitate the proposed battery manufacturing in this market.

Manganese is most commonly used in alloys, such as steel, to increase strength, improve workability and resistance to wear. It is also a critical component in most lithium-ion batteries. Global decarbonization initiatives, specifically the shift away from fossil fuels towards zero-emissions electricity has significantly increased the demand for batteries. Principal sources of global manganese supply are found in Africa, China and Australia and such manganese is primarily used in the production of ferroalloys. The global production and supply of battery grade manganese is dominated by China (representing over 90%), where an overwhelming majority of the processing and refining methods are energy (carbon) intensive. The fundamental properties of the ores found in the Woodstock Project can provide significant improvements to the carbon footprint of manganese processed for the battery sector. Initiatives to create a sustainable battery production industry in North America are well underway, the success of which depend on the long-term and stable supply of key critical minerals.

The Woodstock Project is strategically located adjacent to the U.S. border in New Brunswick with established key infrastructure and multiple distribution access points to the expanding Canadian and U.S. energy storage manufacturing markets. The recent re-evaluation of the Plymouth Manganese-Iron deposit ("Plymouth") has outlined an unparalleled (size, grade and continuity) carbonate-hosted (rhodochrosite) manganese resource (56.7 million tonnes Measured and Indicated at 10.07% Mn and 17.7 million tonnes Inferred at 10.02% Mn). This upgraded mineral resource, issued in March of 2023, supports the Company's view that Plymouth is a generational asset with the ability to sustainably supply the North American market for decades.

Furthermore, the Woodstock Project additionally hosts the historically (non 43-101 compliant) identified North and South Hartford deposits (previously mapped and estimated to contain ~90 million tonnes (historical) at 8% Mn) which provide the Company with an industry leading growth profile. The Woodstock Project is believed to be the largest manganese carbonate resource in Canada, and a globally significant district.

The Company is positioned to become a major global producer of HPMSM, focused on addressing the jurisdictional supply imbalance and current environmentally harmful and energy inefficient production landscape of HPMSM in China by providing a new generation of HPMSM consumers with an alternative carbon conscious North America-based supply. The widespread adoption and rapid production growth of electric vehicles has demonstrated support for decarbonization, as well as the significant economic opportunities created by this industrial transition. Governments in North America have demonstrated a commitment to support this transition.

Manganese has been defined by the Canadian and U.S. governments as a strategic metal essential for national defense, aerospace, technology and energy that is highly susceptible to supply interruptions due to the lack of domestic production and concentration of the current global production. Canada and the U.S. have both included manganese on their lists of critical minerals.

Substantially all of the Company's efforts are devoted to advancing the development of the Woodstock Project.

On October 2, 2023, the Company issued $5,000,000 principal amount of senior secured convertible debenture, as described further in the "LIQUIDITY AND CAPITAL RESOURCES" section below.

On April 2, 2024, the Company agreed to grant a gross revenue royalty on the Woodstock Project to Leventis Capital Pte Ltd. ("Leventis"). The Company had initially contemplated closing the purchase by Leventis of a 3% gross revenue royalty in one tranche for US$15,000,000, however the parties have now agreed that such purchase will be separated into two transactions with Leventis initially acquiring a 1.5% gross revenue royalty for US$7,500,000 and then acquiring the remaining 1.5% gross revenue royalty for an additional US$7,500,000 at a later date. The full terms of the gross revenue royalty are described further in the "LIQUIDITY AND CAPITAL RESOURCES" section below.

The Company intends to repay the above senior secured convertible debenture, including all principal, accrued interest and early repayment fees, immediately upon closing of the first tranche of the above gross revenue royalty. Closing of the royalty has taken longer than originally anticipated due to Leventis' requirement to fulfill extensive foreign banking compliance procedures governing international transactions of this nature. Closing of the first tranche of the royalty is now expected to occur by the end of August 2024, however there are no assurances that the closing will occur in this time frame or at all.

On July 4, 2024, John Allan was elected Chairman of the Board of Directors of the Company by the Board.

WOODSTOCK PROJECT SUMMARY

The Woodstock Project is located within Carleton County, approximately five kilometres west of the town of Woodstock in west-central New Brunswick. The property is ideally situated with access to all necessary infrastructure and located near the junction of the Trans-Canada and U.S. Interstate I-95 highways, and approximately nine kilometres from the border with the State of Maine. Access to the property is available by New Brunswick Provincial Government maintained paved roads extending from the main Trans-Canada Highway network.

The Woodstock Project comprises mineral claims covering 58 km^2 and encompasses the Plymouth deposit. Manganese at the Plymouth deposit predominately occurs as a manganese carbonate. Manganese carbonates are preferred, relative to higher-grade manganese oxide feed materials, for production of high-purity manganese metals. The Woodstock Project is believed to be the largest manganese carbonate (rhodochrosite) resource in Canada (56.7 million tonnes Measured and Indicated at 10.07% Mn and 17.7 million tonnes Inferred at 10.02% Mn (March 2023 Mineral Resource Estimate)).

In addition, the Woodstock Project hosts several historical undeveloped deposits including the North Hartford and South Hartford deposits located less than two kilometres on strike to the north of the Plymouth Deposit. Historical uncategorized resource estimates for the Hartford deposits include *45 million tonnes grading 8% Mn and 12% Fe in the North Hartford deposit and an additional *****45 million tonnes grading 8% Mn and 12% Fe in the South Hartford deposit (Strategic Manganese Corporation; Sidwell, 1957).

***Historical Estimates**: Readers are cautioned that the estimates for the Hartford deposits are historic and based on data obtained and prepared by previous operators and neither the Company nor its predecessors have located original assay sheets or details of the estimation methodology, nor the key assumptions or parameters, underlying the estimates. A qualified person has not done sufficient work to verify or classify the historical estimates as current mineral resources. The Company is not treating the historical estimates as current mineral resources, and these estimates should not be relied upon.*

The Company maintains the Woodstock Project as mineral claims issued by the New Brunswick Department of Energy and Resource Development. The claims are held 100% by the Company as Claim Block 5472 comprised of 232 mineral claims maintained in good standing through payment of annual renewal fees and filing of assessment work credits derived from work undertaken by the Company and its predecessor companies. The Company currently retains surplus excess work credits sufficient to maintain the property for several years.

The Company owns the surface rights for a limited portion of the property (52.6 ha, 0.526 km^2), essentially covering the north half of the Plymouth deposit. That portion of the property is subject to a 1% gross sales royalty retained by the vendors and the Company retains buyback rights for half of this royalty.

STRATEGIC INITIATIVES

Building on the success of the infill drilling program at Plymouth and initial drilling program at North Hartford in 2022, the Company conducted an aggressive diamond drilling program at the North Hartford deposit in 2023. A follow-up infill drilling program is being considered at North Hartford and will be finalized upon completion of assay analysis of the 2023 drilling program core. The goal of these drilling programs is to establish a resource at North Hartford in the Measured and Indicated category.

The Company plans to continue its baseline environmental field studies in 2024 in support of advancing preparation of the Environmental Impact Assessment (EIA) registration document. Initial baseline field studies completed to date include strategic planning and photointerpretation for terrestrial biological studies; vegetation community and habitat mapping; breeding avifauna and wildlife assessments; wetland identification, delineation and functional assessments; aquatic and fisheries assessments; desktop and preliminary field hydrological assessments; an ambient sound quality assessment; and a preliminary archaeological assessment (pedestrian survey). Remaining field studies to be completed include breeding bird surveys; targeted flora species at risk surveys; continued surface water quality sampling; supplemental aquatic habitat and fisheries assessment (electrofishing activities); a preliminary hydrogeological study; and sound quality monitoring.

To advance the Company's plan of completing a feasibility study on proposed open pit mine site operations at Plymouth, an approximately 3,500 metre geotechnical diamond drilling program is being planned at the Plymouth deposit to bring the Plymouth open pit slope geotechnical and hydrogeological design model to a feasibility confidence level.

The Company is currently developing work programs to assess both the operational development of Plymouth and metallurgical processing scenarios. Discussions on processing site location and partnership are active and are focused on jurisdictional economic considerations. Additionally, the Company is analyzing various logistics and transportation scenarios and permitting processes.

Stakeholder engagement continues to be a focus, both at the provincial level and at the local Woodstock community level. The Company's proactive and continuous stakeholder communication strives to provide an awareness of potential impacts and underpins the Company's approach to all initiatives and activities.

Based on these proposed initiatives, the Company is actively focused on securing the additional capital required to undertake all the proposed work activities, subject to funding and requisite approvals. Upon a successful completion of the gross revenue royalty financing described further in the "LIQUIDITY AND CAPITAL RESOURCES" section below, the Company intends to communicate a commensurate budget and timeline.

QUALIFIED PERSONS

Paul Moore, P.Geo., is the Company's designated non-Independent Qualified Person and has reviewed and approved the technical and scientific contents relating to the Woodstock Project in this MD&A. Matthew Harrington, P.Geo. (NB), of Mercator Geological Services Limited is the independent Qualified Person within the context of NI 43-101 who is responsible for preparation of the March 2023 Mineral Resource Estimate disclosed in this MD&A.

EXPLORATION AND EVALUATION ASSETS

	Woodstock manganese property $	Maximos nickel property $	Mongoose Cobequid IOCG property $	Total $
Balance, December 31, 2022	7,456,778	1	6,978,179	14,434,958
Additions:				
Drilling	1,519,183	-	-	1,519,183
Geological	609,401	-	12,500	621,901
Technical consulting	92,793	-	-	92,793
Community consultations	75,000	-	25,000	100,000
Claims registration	-	-	5,520	5,520
Project management	-	-	13,244	13,244
Government grants	-	-	(24,000)	(24,000)
	2,296,376	-	32,264	2,328,640
Balance, June 30, 2023	9,753,154	1	7,010,443	16,763,599
Additions:				
Drilling	461,165	-	-	461,165
Geological	9,440	-	39,500	48,940
Technical consulting	29,908	-	25,000	54,908
Community consultation	75,000	-	-	75,000
Claims registration	6,960	-	(1,100)	5,860
Project management	-	-	5,359	5,359
Government grants	-	-	(58,600)	(58,600)
	582,473	-	10,159	592,631
Balance, December 31, 2023	10,335,627	1	7,020,602	17,356,230
Additions:				
Drilling	13,270	-	-	13,270
Geological	14,279	-	-	14,279
Technical consulting	43,463	-	12,100	55,563
Technical consulting	12,277	-	-	12,277
Community consultations	37,500	-	-	37,500
Claims registration	102	-	1,810	1,912
Project management	426	-	1,343	1,769
	121,317	-	7,253	128,569
Balance, June 30, 2024	10,456,944	1	7,027,855	17,484,799

The Company holds a 100% interest in the Woodstock Property located northwest of 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 Property.

In connection with the acquisition of Maximos Metals Corp. ("Maximos") in April 2021 (the "Maximos Acquisition"), the Company acquired interests in certain exploration and evaluation assets held by Maximos. These acquired exploration and evaluation assets consist primarily of nickel-copper-cobalt exploration properties located in northwestern Labrador. The Maximos exploration and evaluation assets were recorded at a nominal value as the Company had no immediate plans for the ongoing exploration and evaluation of these assets.

In connection with the Maximos Acquisition, the Company also indirectly acquired the Cobequid Highlands property held by Spark (subsequently held by Mongoose, following the Mongoose RTO), consisting of mineral exploration licences in Nova Scotia with potential for iron oxide-copper-gold ("IOCG") mineralization.

RESULTS OF OPERATIONS

The consolidated financial statements of the Company for the six months ended June 30, 2024 consolidate the accounts of Technology Metals Inc. (formerly Maximos) and Mongoose (including Spark).

The Company recorded no revenue in the three and six months ended June 30, 2024 and 2023, as it focused on activities related to advancing the Woodstock Project in New Brunswick.

During the three months ended June 30, 2024, the Company recorded a loss of $768,601. The loss included non-cash share-based compensation of $52,018, non-cash interest on convertible debenture of $178,658, accretion expense on convertible debenture of $237,170 and corporate development expenses of $87,040. In the same period in 2023, the Company recorded a loss of $454,592, which included non-cash share-based compensation of $24,241, corporate development expenses of $122,688 and investor relations expenses of $39,868.

During the six months ended June 30, 2024, the Company recorded a loss of $1,504,878. The loss included non-cash share-based compensation of $53,997, interest on convertible debenture of $357,881, accretion expense on convertible debenture of $454,322 and corporate development expenses of $179,945. In the same period in 2023, the Company recorded a loss of $947,397, which included non-cash share-based compensation of $49,470, corporate development expenses of $230,669 and investor relations expenses of $111,486.

SUMMARY OF QUARTERLY RESULTS

Expressed in $000's, Except for per share amounts	June 30 2024 $	March 31 2024 $	Dec. 31 2023 $	Sept 30 2023 $	June 30 2023 $	March 31 2023 $	Dec. 31 2022 $	Sept 30 2022 $
Net (loss) income	(769)	(735)	(907)	(375)	(455)	(493)	(575)	(356)
Net (loss) income per share - basic and diluted	(0.005)	(0.005)	(0.006)	(0.003)	(0.003)	(0.003)	(0.003)	(0.002)
Total assets	17,691	17,787	18,123	17,602	17,357	16,392	15,831	15,924
Working capital/ (Deficiency)	(5,808)	(5,065)	(4,251)	(3,735)	(2,873)	(1,241)	385	1,412

LIQUIDITY AND CAPITAL RESOURCES

On October 2, 2023, the Company issued $5,000,000 principal amount of a senior secured convertible debenture (the "Convertible Debenture"). The net proceeds from the issuance of the Convertible Debenture, after a 4% original issue discount, legal and other transaction costs, were $4,369,400.

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 bears interest at a rate of 14% per annum, payable semi-annually in arrears; (iii) the Company has 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 is 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 Convertible Debenture contains certain financial covenants, including the requirement for the Company to maintain a positive working capital balance. At June 30, 2024, the Company was not in compliance with this covenant, on a consolidated basis, and as such, the full carrying amount of the Convertible Debenture is presented as a current liability in the consolidated statement of financial position. After recognition of the full balance of the Convertible Debenture as a current liability, the Company had a working capital deficit of $5,807,713 on a consolidated basis at June 30, 2024.

The first semi-annual interest payment of the Convertible Debenture in the amount of approximately $350,000 was due on April 2, 2024 and remains unpaid by the Company as at the date of this MD&A. The Company intends to repay the entire Convertible Debenture, including principal, accrued interest and early repayment fees, upon closing of the first tranche of the gross revenue royalty described below.

On April 2, 2024, the Company agreed to grant a gross revenue royalty on the Woodstock Project to Leventis Capital Pte Ltd. ("Leventis"). The Company had initially contemplated closing the purchase by Leventis of a 3% gross revenue royalty in one tranche for US$15,000,000, however the parties have now agreed that such purchase will be separated into two transactions with Leventis initially acquiring a 1.5% gross revenue royalty for US$7,500,000 and then acquiring the remaining 1.5% gross revenue royalty for an additional US$7,500,000 at a later date.

As a result of this change, the form of royalty agreement has been amended to (i) provide that the dates by which the option (the "Repurchase Option") must be exercised to avoid the pre-repurchase payments ("Pre-Repurchase Payments") described in the Company's April 2, 2024 news release will be revised from March 30, 2026 (and every two years thereafter) to the second anniversary of the date the full US$15,000,000 is received (and every two years thereafter) until the re-purchase is completed and (ii) provide the Company with an option (the "Reduction Option"), until the full US$15,000,000 is received, to permanently reduce the amount of the gross revenue royalty to 1.5% and reduce the amount of the repurchase payment from US$22,500,000 to US$11,250,000.

Where such Reduction Option is exercised, the dates by which the Repurchase Option must be exercised to avoid the Pre-Repurchase Payments will be revised from March 30, 2026 (and every two years thereafter) to the second anniversary of the date the Company exercises the Reduction Option (and every two years thereafter) until the re-purchase is completed.

Closing of the royalty has taken longer than originally anticipated due to Leventis' requirement to fulfill extensive foreign banking compliance procedures governing international transactions of this nature. Closing of the first tranche of the gross revenue royalty is now expected to occur by the end of August 2024, however there are no assurances that the closing will occur in this time frame or at all.

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2024, the Company paid or accrued $160,000 (2023 - $160,000) to related parties, including a $30,000 management fee (2023 - $30,000) to Energold Minerals Inc. ("Energold"), a company controlled by John F. Kearney, a director; a $25,000 management fee (2023 - $25,000) to 2348035 Ontario Corp., a company controlled by Matthew Allas, an officer; a $75,000 management fee (2023 - $75,000) to PDM Strategies Inc., a company controlled by David Alward, an officer; and $30,000 in office rent (2023 - $30,000) to Buchans Resources Limited ("Buchans"), a company in which John F. Kearney serves as a director.

Included in accounts payable and accrued liabilities at June 30, 2024 is $9,417 (2023 - $9,417) payable to 2348035 Ontario Corp., $16,950 (2023 - $5,650) payable to Energold, $22,650 (2023 - $Nil) payable to Buchans, and $28,750 (2023 - $14,375) payable to PDM Strategies Inc. These amounts are unsecured, non-interest bearing and due on demand.

On April 11, 2024, two members of the Board of Directors provided short term working capital advances to the Company in the aggregate principal amount of $55,000, the full balance of which remained outstanding at June 30, 2024. Of the aggregate principal balance of $55,000, $30,000 was advanced by John Allan and $25,000 was advanced by John F. Kearney. The short term working capital advances are unsecured, due on demand and bear interest at 2% per month. In addition, a one-time transaction fee equal to 10% of the principal advanced is due to the directors who advanced the funds.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated financial statements are prepared in accordance with IFRS and require management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed and affect estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuation of tax accounts. The Company regularly reviews its estimates and assumptions, however actual results could differ from these estimates and these differences could be material.

PRINCIPAL RISKS AND UNCERTAINTIES

The realization of mineral exploration assets is dependent on the development of economic ore reserves and is subject to a number of significant potential risks, as summarized below and under the heading "RISK FACTORS" in the Company's annual information form for the year ended December 31, 2023.

Failure to Obtain Additional Funding

There can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration or evaluation, if warranted, on the Company's current exploration properties, or any properties that may be acquired, or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interest in such properties. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted.

Exploration, Development and Operating Risk

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. Many of the properties in which the Company holds an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results were obtained, and a positive feasibility study is completed.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis and at an acceptable cost.

In addition to the above, there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional 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.

No Assurance of Production

The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel, consultants or contractors, or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production and whether it will produce revenue, operate profitably or provide a return on investment in the future.

Fluctuating Mineral Prices

Metal prices are subject to significant fluctuations and are affected by a number of factors which are beyond the control of the Company. The principal factors include: diminished demand, which may arise if economic growth in China, North America, and/or Europe is not sustained, or if the expected growth in electric battery demand does not occur; increases in supply resulting from the discovery and the development of new sources of metals; and supply interruptions, due to changes in government policies, war, or international trade disputes or embargos. The effect of these factors on the future price of manganese and its effect on the Company's operations cannot be predicted.

Factors beyond the Company's Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Environmental Risks and Hazards

The Company's operations are subject to environmental regulations in the jurisdiction in which it operates. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

FINANCIAL RISK MANAGEMENT

Fair value

The carrying amounts for cash and cash equivalents, marketable securities, amounts receivable and accounts payable and accrued liabilities in the consolidated statements of financial position approximate fair value because of the limited term of these instruments.

Liquidity risk

The Company's liquidity exposure relates to meeting obligations under short term trade creditor arrangements and meeting Convertible Debenture interest and principal repayment obligations as they come due. This exposure is financed from a combination of cash, additional issuances of common shares and other potential financing arrangements.

Further details of the Company's financial risk management policies are set out in Note 21 of the consolidated financial statements for the year ended December 31, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company has no variable-rate interest-bearing debt.

The Company's current policy is to hold its cash in deposits with a Schedule A Canadian bank. The Company is satisfied with the credit ratings of its bank.

The Company has designated its cash as held-for-trading, which is measured at fair value. Fair value estimates of financial assets and liabilities are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates involve uncertainties and are subjective in nature. Other financial instruments included in current assets are classified as loans and receivables, which are measured at amortized costs. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at June 30, 2024, the carrying and fair value amounts of the Company's financial instruments were the same.

OUTSTANDING SHARE CAPITAL

The Company has authorized capital consisting of an unlimited number of common shares. At June 30, 2024, and the date of this MD&A, a total of 146,088,206 common shares of the Company were issued and outstanding.

At June 30, 2024, and the date of this MD&A, there were 333,333 warrants exercisable at $0.27 per share until April 29, 2027, as extended.

Effective May 14, 2024, 3,000,000 options were granted to directors, management and a consultant of the Company, with each such option exercisable into a common share of the Company at $0.10 per share until May 14, 2029, vesting quarterly over a period of two years.

At June 30, 2024, and the date of this MD&A, there were 11,228,440 stock options outstanding pursuant to the Company's Stock Option Plan. Of these, 5,278,440 options are exercisable at $0.18 per share until June 30, 2025, 2,950,000 options are exercisable at $0.25 per share until June 30, 2026, and 3,000,000 options are exercisable at $0.10 per share until May 14, 2029.

At June 30, 2024, and the date of this MD&A, there were 3,874,224 restricted share units outstanding pursuant to the Company's RSU Plan, 850,000 of which expire on December 31, 2024, 932,252 of which expire on December 31, 2025, 1,313,336 of which expire on December 31, 2026 and 778,636 which expire on December 31, 2027.

In June 2024, shareholders of the Company approved (i) an increase in the maximum number of common shares reserved for issuance under the Stock Option Plan from 10% to 20% of the total number of common shares outstanding on a rolling basis; and (ii) an increase in the maximum number of common shares reserved for issuance under the Restricted Share Unit Plan from 3% to 5% of the total number of common shares outstanding on a rolling basis.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As at June 30, 2024, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of its disclosure controls and procedures, as defined under the Canadian securities regulatory authorities, and have concluded that the Company's disclosure controls and procedures are effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Company's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected. Management assessed the effectiveness of internal control over financial reporting, using the Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and based on that assessment concluded that internal control over financial reporting was effective as at June 30, 2024.

Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting during the six months ended June 30, 2024.

ADDITIONAL INFORMATION

Additional information regarding the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca, including the consolidated financial statements and annual information form for the year ended December 31, 2023 and the condensed interim consolidated financial statements for the three and six months ended June 30, 2024.

FORWARD-LOOKING STATEMENTS

This management's discussion and analysis contains certain forward-looking statements relating to, 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", "plan", "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. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, delays in the development of projects changes in exchange rates, fluctuations in commodity prices, inflation and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. 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 by the 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. 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.