



CANADIAN MANGANESE COMPANY INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three-month period ended March 31, 2021

Dated May 27, 2021

(Form 51-102F1)

**CANADIAN MANGANESE COMPANY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

Dated: May 27, 2021

The following management discussion and analysis ("MD&A") of financial condition and results of operations of Canadian Manganese Company Inc. ("Canadian Manganese" or the "Company"), should be read in conjunction with the condensed interim consolidated financial statements and the notes thereto for the three-month period ended March 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are stated in Canadian dollars, unless otherwise noted.

For a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read together with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2020, a copy of which is filed on the SEDAR website at www.sedar.com.

COMPANY OVERVIEW

Canadian Manganese was incorporated under the Canada Business Corporations Act on June 13, 2011 for the purpose of acquiring the Woodstock manganese property in New Brunswick and to pursue the exploration and development of the property to produce speciality manganese metals. Canadian Manganese's business objective is to advance the development of its Woodstock project to become a supplier of High Purity Manganese (Mn) metals for the lithium-ion battery industry.

On April 30, 2021, Canadian Manganese closed the acquisition of Maximos Metals Corp. ("Maximos") and completed a private placement financing raising gross proceeds of \$5,947,500. CMC plans to make application to list its shares on a Canadian stock exchange as soon as possible.

CMC's vision is to create a new technology metals company with an immediate strategic focus on the advancement of CMC's Woodstock manganese property in New Brunswick to produce high purity electrolytic manganese metal and/or high purity manganese sulphate monohydrate for the growing battery metals market.

Manganese has been defined by the Canadian and US governments as a strategic metal that is essential for national defense, aerospace, technology, and energy that is highly susceptible to supply interruptions due to the lack of domestic production. The US has included manganese on its list of 35 critical minerals.

On March 11, 2021 Canada's Minister of Natural Resources, announced the release of a Canadian critical minerals list which includes manganese. The critical minerals on Canada's list, are used to develop clean technologies, from solar panels to EV batteries. "They're all essential to lowering emissions, increasing our competitiveness, and strengthening our energy security". Critical minerals are vital to growing Canada's clean, modern economy. Canada is primed to capitalize on the rising global demand for critical minerals, driven in large part by their role in the transition to a low-carbon and digitized economy. Essential for renewable energy and clean technology applications (batteries, permanent magnets, solar panels and wind turbines), they are also required inputs for advanced manufacturing supply chains, including defence and security technologies, consumer electronics, agriculture, medical applications and critical infrastructure.

Currently there is no primary manganese mine production in the USA or Canada and 100% of the electrolytic manganese metal that is consumed in North America and Europe is imported from other countries, most notably from China, which controls over 95% of the global supply, and from South Africa—the only other producer outside of China.

The global evolution of electric vehicle (EV) and battery technologies combined with the current supply dominance, environmental state of the industry and mounting geopolitical support, provides what CMC believes is a unique opportunity to create a North American based leader in the production of battery-grade manganese.

CMC's mission is to create a diversified technology metals company through a disciplined growth strategy with an emphasis on stakeholder value creation and the development of industry-leading sustainability programs.

**CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

Acquisition of Maximos Metals Corp.

The acquisition of Maximos was completed by way of a three-cornered amalgamation between Maximos and a wholly owned subsidiary of CMC, which resulted in Maximos becoming a wholly owned subsidiary of CMC, and the shareholders of Maximos becoming shareholders of CMC. The amalgamation was effective on April 30, 2021.

Maximos holds a portfolio of assets, with the primary located in Atlantic Canada and at March 31, 2021 had a cash balance of approximately \$700,000. In Labrador, Maximos holds over 50,000 hectares of identified non-contiguous prospective sulphide nickel environments. Additionally, Maximos controls (65% equity ownership) Spark Minerals Inc. a private company focused on the advanced exploration of previously identified IOCG (iron-oxide-copper-gold) mineralized breccias, located in Nova Scotia.

In addition to the assets outlined, the acquisition of Maximos brings significant new stakeholders to CMC. Along with strong institutional support in the concurrent transaction financing (terms outlined below), key Maximos shareholders are longstanding and significant members of the Atlantic Canadian community. With multi-generational business, political and charitable interests spanning across all the Atlantic provinces, these new stakeholders provide CMC with a strong base of support within the region.

In connection with the acquisition of Maximos, a total of 59,683,564 common shares in the capital of CMC were issued to holders of Maximos shares on the basis of 0.55562527 of a CMC share for each common share of Maximos.

In connection with the completion of the transaction, 9,500,000 options of Maximos were adjusted such that they now entitle the holders to acquire an aggregate of 5,278,440 CMC shares with each such option being exercisable at a price of \$0.18 per share on or before June 30, 2025.

In addition, in connection with the completion of the transaction, 8,000,000 common share purchase warrants of Maximos now entitle the holders to acquire an aggregate of 4,445,002 CMC shares with each such warrant being exercisable at a price of \$0.18 per share on or before March 17, 2024.

Following the closing, and the issue of 24,211,109 CMC Shares pursuant to the Financing, CMC now has 143,578,237 common shares outstanding.

Certain of the larger former Maximos shareholders agreed to enter into escrow agreements with respect to the CMC Shares which they received pursuant to the transaction and as such 38,794,675 CMC Shares are subject to a 24-month escrow, with one-quarter of such shares to be released from escrow on the 6, 12, 18 and 24-month anniversaries of the listing of the CMC Shares on a Canadian stock exchange. In addition, 1,805,782 CMC Shares are subject to a 12-month escrow, with one-half of such shares to be released from escrow on the 6 and 12-month anniversaries of the listing of the CMC Shares on a Canadian stock exchange.

Following closing of the transactions Matthew Allas, President of Maximos, was appointed as a director and as President and Chief Executive of CMC.

Private Placement Financing \$5.95 Million

On April 30, 2021, CMC closed a non-brokered private placement equity financing through an offering of subscription receipts ("Subscription Receipts") at a price of \$0.30 per flow-through receipt ("FT Subscription Receipt") and \$0.225 per non-flow-through receipt ("HD Subscription Receipt").

Pursuant to the Financing, CMC issued 17,544,443 HD Subscription Receipts at a price of \$0.225 each for gross proceeds of \$3,947,499.68 and 6,666,666 FT Subscription Receipts at a price of \$0.30 each, for gross proceeds of \$1,999,999.80. Each Subscription Receipt entitled the holder to receive one CMC Share, for no additional consideration.

**CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

Woodstock Manganese Carbonate Project

Canadian Manganese holds the Woodstock manganese property in New Brunswick containing the Plymouth manganese-iron deposit of 9.72 billion pounds of contained manganese and on which a positive preliminary economic assessment, NI 43-101 technical report ("PEA") was completed in 2014.

Manganese at the Woodstock 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. Canadian Manganese Woodstock property is believed to be the largest manganese carbonate (rhodochrosite) resource in North America and one of the largest in the world outside China.

Battery Grade Manganese

Manganese is a key component in the formulations of the cathode material used in high-performance lithium-ion batteries, and in utility bulk energy storage facilities, which are expected to create strong demand for high-purity manganese products.

Advancements in electric vehicle manufacturing are transforming the entire global automobile industry and driving increased battery demand and it has been suggested that one third of all new cars sold worldwide could be electric by the end of the decade. The Li-ion battery is powering the electric vehicle revolution around the world. The market is growing exponentially and with projected increased production of electric vehicles is expected to continue to grow into the future. While much of the attention has been devoted to lithium and cobalt, manganese is one of the overlooked but strategically important mineral components. NMC (nickel/manganese/cobalt) batteries are becoming the most widely used rechargeable battery for next-generation automotive and industrial uses. Manganese battery demand is expected to grow strongly.

At Tesla Battery Day on September 22, 2020, Tesla announced that it intends to use a nickel-manganese [NM] cathode/battery (2/3 nickel, 1/3 manganese) for its mid-range vehicles. Previously Tesla only used nickel-cobalt-alumina [NCA] for its cathodes, with no manganese. The main reason to shift towards manganese is that it is lower cost and relatively easy to source, especially when compared to cobalt. Tesla's deployment of manganese in its batteries is expected to drive an increase in high-purity manganese demand.

Woodstock Manganese Project

Canadian Manganese Woodstock property is located in Carleton County, five km west of the town of Woodstock, in west-central New Brunswick. The property is well situated with respect to infrastructure and is located near the junction of the Trans Canada and US Interstate I-95 highways, and approximately 9 km from the border with the state of Maine, USA. 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 covers mineral claims covering 58 km² and hosts the Plymouth Mn-Fe deposit, which hosts a mineral resource estimate of **Inferred resources totalling 44.8 million tonnes grading 9.85% Mn** and 14.15% Fe at a 3.5% Mn cut-off, or **9.72 billion pounds of contained manganese**.

The 2014 Mineral Resource Estimate for the Plymouth Mn-Fe deposit was prepared by Mercator Geological Services as disclosed in the Technical Report issued in July of 2014 as a Preliminary Economic Assessment of the deposit [report entitled: *Preliminary Economic Assessment on the Woodstock Manganese Property, New Brunswick Canada. Effective Date: July 10, 2014. Prepared by Dharshan Kesavanathan, P.Eng., Laszlo Bodi, P.Eng., Michael Cullen, M.Sc., P.Geo., Mike McLaughlin, P.Eng., Stephanie M. Goodine, P.Eng., and Wenchang Ni, P.Eng.*].

In addition, the Woodstock project hosts several undeveloped deposits including the North Hartford and South Hartford deposits located less than 2 km on strike to the north of the Plymouth Mn-Fe deposit. Historical uncategorized resource estimates for the Hartford deposits include *45 million tonnes grading 8% Mn and 12% Fe

CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

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 Canadian Manganese 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. Canadian Manganese is not treating the historical estimates as current mineral resources, and these estimates should not be relied upon.*

Canadian Manganese maintains the Woodstock property 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 km²), 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.

Development Strategy

To date Canadian Manganese has undertaken several programs to evaluate the Plymouth Mn-Fe deposit as a potential open pit mining, hydrometallurgical and electrowinning operation for production of high-purity manganese metal products. In doing so, the Company completed a Preliminary Economic Assessment of the deposit in 2014 supported by among other things, a comprehensive program of bench-scale metallurgical test work as documented in the 2014 PEA prepared by TetraTech that evaluated open pit mining scenarios and hydrometallurgical processing.

Metallurgical development programs for Woodstock have focused on the production of high-grade electrolytic manganese metal and the intermediate production of purified manganese sulphate solution as an interim step, enabling the add-on production of manganese chemicals, manganese catalyst, battery grade manganese dioxide and high-purity manganese metal for electronics. The metallurgical process defined for processing of the Plymouth mineralization is based on technology to achieve an ultra-pure solution of manganese sulfate. Electrowinning tests consistently produced electrolytic manganese metal with a metallic manganese content of greater than 99.99% and a total manganese content ranging from 99.70% to 99.76% Mn.

Canadian Manganese believes additional opportunities exist for the production of alternative high-purity manganese chemicals and compounds that may provide the project an opportunity to become a supplier of high-purity manganese products for the rechargeable battery industry.

Canadian Manganese plans to continue further evaluation and development work on its Woodstock property and seek opportunities in the Li-ion battery industry to unlock Woodstock's potential. It is anticipated that such programs will include a market assessment for these commodities, as well as additional metallurgical test work as may be required to demonstrate production of high-purity manganese chemicals and compounds.

As the PEA was focused on the potential for electrolytic manganese metal production, the current program will seek to update the PEA for the production of both high purity manganese metal and high purity manganese sulphate monohydrate for the battery industry. Concurrently, CMC proposes to undertake several programs to advance various project categories to a prefeasibility level of study, including: Product Market and End-User Market Assessment; Process Development and Advanced Metallurgy; Infrastructure Evaluation and Preliminary Environmental Assessment and Engagement.

Additionally, CMC plans to undertake a drilling program to further define the Plymouth deposit (currently open in several directions) as well as, explore the adjacent North and South Hartford properties.

**CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

The schedule and timelines for planned evaluation and development programs will depend on the stabilization of the COVID-19 pandemic. The Company has followed the instructions and advice of Federal and Provincial health authorities, as well as industry-wide best practice guidelines, and has limited travel and field activities to help control the spread of COVID-19 and protect local communities. The COVID-19 pandemic and related business lockdowns have adversely affected economies and financial markets, resulting in an economic downturn that could further affect the Company and its ability to finance its planned operations. The Company cannot accurately predict the impact the COVID-19 pandemic will have on its operations, including uncertainties relating to the duration of the pandemic, the ultimate severity of the disease, the duration of travel and quarantine restrictions imposed by governmental authorities, and the impact on schedules and timelines for planned operations or exploration programs.

Qualified Person

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 MDA.

Nickel Cobalt Properties

As a result of the acquisition of Maximos, CMC has achieved additional exposure to key technology metals - Nickel, Copper and Cobalt sulphides, via Maximos' nickel cobalt exploration claims in Labrador and its investment in Spark Minerals Inc., an entity that holds the Londonderry and Trident properties in Nova Scotia with potential for iron-oxide-copper-gold (IOCG) type mineralization.

Maximos holds a 100% interest in the Maximos Nickel Property which consists of nine discontinuous mineral Licenses (024907M to 024915M) covering a total area of 336 km² in north western Labrador on which Maximos completed a diamond drilling program in late 2017 and early 2018.

Maximos holds a majority equity ownership of Spark Minerals Inc., a private company focused on the advanced exploration of previously identified IOCG (iron-oxide-copper-gold) mineralized breccias, located in Nova Scotia. Recent drill programs have identified the existence of Cobalt (~480-776ppm). On March 18, 2021 announced a proposed reverse takeover transaction with Mongoose Mining Ltd. Upon closing of the proposed transaction CMC will hold ~40% of the outstanding equity of Mongoose and Matthew Allas will assume the role of Chairman.

EXPLORATION AND EVALUATION ASSETS

	March 31 2021 \$	Additions 2021 \$	December 31 2020 \$	Additions 2020 \$	December 31 2019 \$
Woodstock	4,663,671	1,350	4,662,321	8,621	4,653,700

CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

RESULTS OF OPERATIONS

The Company recorded no revenue in the periods ended March 31, 2021 or March 31, 2020.

For the three-month period ended March 31, 2021, the Company recorded a loss of \$48,063, compared to a loss of \$10,894 for the same period in 2020.

SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	March 31 2021	Dec. 31 2020	Sept 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept 30 2019	June 30 2019
	\$	\$	\$	\$	\$	\$	\$	\$

Net (loss) income	(48)	(98)	(18)	1	(11)	(30)	(29)	(29)
Net (loss) income per share								
- basic and diluted	(0.001)	(0.002)	(0.000)	0.000	(0.000)	(0.000)	(0.000)	(0.000)
Total assets	4,702	4,726	4,746	4,752	4,753	4,654	4,646	4,647
Working capital/ (Deficiency)	(308)	(258)	(59)	(40)	(38)	(124)	2	5

- The quarter ended June 30, 2020 included \$8,000 gain on disposal of used equipment.
- For the three-month period ended December 31, 2020, the Company recorded a loss of \$97,576, including a management fee of \$60,000.

LIQUIDITY AND CAPITAL RESOURCES

Current assets at March 31, 2021 were \$38,321 compared to \$63,486 at December 31, 2020. Accounts payable and accrued liabilities were \$346,227 at March 31, 2021, including an advance from director in the amount of \$100,000 and \$140,202 due to Buchans, compared to \$321,979 at December 31, 2020.

Subsequent to the end of the Quarter, on April 30, 2021, Canadian Manganese completed a private placement financing raising gross proceeds of \$5,947,500, of which \$3,947,500 was hard dollars and \$2,000,000 was flow through proceeds which must be incurred on qualifying Canadian exploration expenditures before December 31, 2022.

At March 31, 2021, Canadian Manganese held mineral properties with a combined book value of \$4,663,671. The balance sheet values for these assets may not represent that which could be obtained if the assets were to be offered for sale.

RELATED PARTY TRANSACTIONS

No fees were paid by the Company to directors for their services as directors of the Company in the periods ended March 31, 2021 and 2020.

During the three-month period ended March 21, 2021, the Company paid or accrued \$21,000 to related parties, including a \$15,000 management fee payable to Energold Minerals Limited, a company controlled by John F. Kearney and \$6,000 rent paid to Buchans (March 31, 2020 – \$3,000).

Included in accounts payable and accrued liabilities at March 31, 2021 is \$215,202 (December 31, 2020 - \$200,914) payable to related parties including \$140,202 payable to Buchans (December 31, 2020 - \$140,202) and \$75,000 (December 31, 2020 - \$60,000) in respect of management fees. These amounts are unsecured, non-interest bearing and due on demand.

**CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

During 2020, the Company received an advance from a director in the amount of \$100,000, which remained outstanding as of March 31, 2021. The amount is unsecured, non-interest bearing and due on demand.

CRITICAL ACCOUNTING ESTIMATES

Canadian Manganese's 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. Canadian Manganese regularly reviews its estimates and assumptions, however actual results could differ from these estimates and these differences could be material.

Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to Note 3 of the December 31, 2020 audited financial statements.

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, see under the heading "RISK FACTORS" elsewhere in this document, including:

Failure to Obtain Additional Financing

Other than the Financing, which closed effective April 30, 2021, there can be no assurance that Canadian Manganese will be successful in obtaining any additional required funding necessary to conduct additional exploration or evaluation, if warranted, on Canadian Manganese' 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 Canadian Manganese to forfeit its interest in such properties. If additional financing is raised through the issuance of equity or convertible debt securities of Canadian Manganese, the interests of shareholders in the net assets of Canadian Manganese may be diluted.

The COVID-19 pandemic is presenting unprecedented challenges to individual health, communities, jobs, businesses and economies, and specifically to public companies, shareholders and investors. The economic fallout from the COVID-19 pandemic will lead to the need for additional sources of financing through the crisis while the pandemic-related market downturn and the need to manage cash in an uncertain economic environment brings into question the appropriateness and prudence of continuing with planned programs at previously anticipated levels.

The Company relies on equity financing to generate additional financial resources to fund its working capital requirements and to fund its planned exploration programs. The COVID-19 pandemic has adversely affected financial markets and investor interest in public companies that could affect the Company's ability to finance its operations.

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 Canadian Manganese may be affected by numerous factors that are beyond the control of Canadian Manganese 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

CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

Canadian Manganese not receiving an adequate return of investment capital. Many of the properties in which Canadian Manganese 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 are 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 Canadian Manganese' mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Canadian Manganese' 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 Canadian Manganese' 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 Canadian Manganese to raise additional financing, if necessary, or alternatively upon Canadian Manganese' 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

Canadian Manganese 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 Canadian Manganese will have available to it the necessary expertise when and if Canadian Manganese 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 Canadian Manganese. 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 Canadian Manganese' operations cannot be predicted.

Factors beyond Canadian Manganese' 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 Canadian Manganese. 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

Canadian Manganese' 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

CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

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 on the carve-out consolidated statements of financial position approximate fair value because of the limited term of these instruments.

Liquidity risk

Canadian Manganese liquidity exposure is confined to meeting obligations under short term trade creditor arrangements. This exposure is financed from a combination of cash, additional issues of ordinary equity shares and other financing arrangements.

Further details of Canadian Manganese' financial risk management policies are set out in Note 11 of the December 31, 2020 audited financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company has no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Fair value estimates of financial assets and liabilities are made at the balance sheet 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 March 31, 2021, the carrying and fair value amounts of the Company's financial instruments were the same.

OUTSTANDING SHARE CAPITAL

Canadian Manganese has an authorized capital consisting of an unlimited number of common shares.

At March 31, 2021, a total of 59,683,564 common shares were issued and outstanding.

At May 27, 2021, a total of 143,578,237 common shares were issued and outstanding.

At May 27, 2021, there were 4,778,335 share purchase warrants outstanding. 4,445,002 warrants are exercisable at \$0.18 per share until March 17, 2024. 333,333 warrants are exercisable at \$0.27 until April 29, 2024.

At May 27, 2021, there were 5,278,440 share options outstanding, exercisable at \$0.18 per share until June 30, 2025.

CANADIAN MANGANESE CO. INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

FORWARD-LOOKING STATEMENTS

This management's discussion and analysis contains certain forward-looking statements relating to, but not limited to, Canadian Manganese' 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. Canadian Manganese 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.

Dated: May 27, 2021