

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 1 of 20

This management's discussion and analysis of American Manganese Inc. (the "Company") contains analysis of the Company's operational and financial results for the three and six month period ended January 31, 2015. The following should be read in conjunction with the company's unaudited condensed consolidated interim financial statements for the three and six month period ended January 31, 2015 and audited consolidated financial statements for the fiscal year ended July 31, 2014 which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") in effect as at July 31, 2012. All figures are in Canadian dollars unless otherwise stated.

## **FORWARD-LOOKING STATEMENTS**

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. American Manganese Inc. does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## **DATE OF REPORT**

The MD&A was prepared with the information available as at April 1, 2015.

## **NATURE OF BUSINESS AND OVERALL PERFORMANCE**

### **Jurisdiction of incorporation and corporate name**

The Company was incorporated under the *Company Act* (British Columbia) on July 8, 1987 as Navarre Resources Corporation. The Company changed its name to Ameridex Minerals Corp. on June 4, 1998, to Rocher Deboule Minerals Corporation on September 13, 2006, and to American Manganese Inc. on January 20, 2010.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The Company's shares presently trade on the TSX Venture Exchange under the symbol "AMY", on the Frankfurt Exchange under the symbol "2AM" and on the pink sheets under the symbol "AMYZF".

The Company has one wholly owned subsidiary, Rocher Manganese Inc., incorporated in the State of Nevada. Rocher Manganese Inc. manages the exploration work on the Company's Artillery Peak property.

In December 2014, the Company's head office relocated to Unit 2 17942 55 Avenue, Surrey, British Columbia V3S 6C8.

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 2 of 20

**HIGHLIGHTS**

In March 2015, American Manganese Inc. has entered into an acquisition agreement with MGX Minerals Inc. (MGX) for MGX to acquire the Company's 100-per-cent interest in 166 contiguous hectares covering a known high-purity silica prospect (the "Koot Claims"). In connection with the acquisition, MGX will issue 100,000 shares to American Manganese Inc. as well as grant the Company and Andris Kikauka (a director of the Company) each a 0.5% net smelter return royalty on any future production.

In August 2014, the Company closed the first tranche of its non-brokered private placement of the Company's units raising \$37,000 for the first tranche through the sale of 1,233,333 units of the Company at a price of \$0.03 per unit. Each Unit is comprised of one common share in the capital of the Company plus a share purchase warrant. Each Warrant entitles the holder to purchase one Share at a price of \$0.05 during the three years following the date of issuance.

In May 2014, the Company acquired by staking the Bromley Creek Quarry Zeolite prospect located in Princeton British Columbia. The Company plans to group the Bromley Creek Zeolite property with the Line Creek and Fording River Phosphate properties as a joint venture proposition to interested parties.

In April 2014, the Company acquired Silica deposits by staking the Koot mineral claims: A high grade silica (SiO<sub>2</sub>) prospect. The Koot Project is located about 4 kilometers east-southeast of Canal Flats, British Columbia, Canada in the Golden Mining Division

In March 2014, the Company appointed Norman L. Tribe, B.A.Sc., P.ENG. to the board of directors of American Manganese Inc.. Mr. Tribe has a total of 54 years' experience in most phases of mining including underground grade control, mine development, mine evaluation, property evaluation, project management, project consultant, exploration management, plant design, exploration geology, reclamation and reporting to the various governments and/or stock exchanges.

In February 2014, the Company acquired Phosphate claims by staking two claim blocks totalling 1581.21 hectares (3906.38 acres) in the Ft. Steele Mining Division, located 11.5 km north of Sparwood, BC. The claim blocks, historically known as "Line Creek/Mount Lyne" and "Fording River" respectively, are 3.5 km apart and are easily accessible from existing roads and highway. Furthermore, a CP Rail line runs through the Fording River claims.

In November 2013, the Company was notified that its patent application for China has entered the Examination Stage in the Chinese Patent office. Please see the press release dated June 11th 2013 for details of the process for producing high purity electrolytic manganese dioxide (EMD), chemical manganese dioxide (CMD) used in the lithium ion rechargeable battery as well as electrolytic manganese metal (EMM) used in specialty steel. The hydro-metallurgical process has the potential to produce EMM, EMD and CMD in the lowest cost percentile worldwide.

**Nature of business**

The business of the Company is mineral exploration and development. The company's mineral projects are described below.

**Preliminary Feasibility Study - Artillery Peak Project Update**

In May 2012, The Company filed a preliminary Prefeasibility Study Report.

In August 2012, the Company was notified by the British Columbia Securities Commission BCSC that the Technical Report was deficient.

In September 2012, the Company filed amended technical report with the BCSC.

A summary from the amended technical report and the pre-tax financial model result is presented below:

Tetra Tech prepared the technical report on the Artillery Peak Prefeasibility Study in general accordance with the guidelines provided in National Instrument 43-101 (NI 43-101) Standards of Disclosure for Mineral Projects.

Tetra Tech, all qualified persons (QPs), and authors of this technical report, are independent of the issuer, American Manganese Inc. (AMI), its directors, senior management and advisers. Tetra Tech prepared this report at the request of American Manganese Inc.

This report is based on information provided by AMI to Tetra Tech, as well as observations and information that Tetra Tech obtained during the site visit to the Property.

The following technical experts and QPs visited the Property:

- Anoush Ebrahimi, P.Eng., on January 28, 2012
- Norm Chow, P.Eng., on February 25, 2011
- Marvin Silva, PhD, PE, P.Eng., on February 25, 2011
- Margaret Harder, P.Geo., on June 2, 2011.

A summary of the QPs responsible for each section of this report is detailed below:

<b>Report Section</b>	<b>Company</b>	<b>QP</b>
<b>1.0</b> Summary		All Sign off by Section
<b>2.0</b> Introduction	Tetra Tech	John Huang, P.Eng.
<b>3.0</b> Reliance on Other Experts	Tetra Tech	John Huang, P.Eng.
<b>4.0</b> Property Description and Location	Tetra Tech	Margaret Harder, P.Geo.
<b>5.0</b> Accessibility, Climate, Local Resources, Infrastructure, and Physiography	Tetra Tech	Margaret Harder, P.Geo.
<b>6.0</b> History	Tetra Tech	Margaret Harder, P.Geo.
<b>7.0</b> Geological Setting and Mineralization	Tetra Tech	Margaret Harder, P.Geo.
<b>8.0</b> Deposit Types	Tetra Tech	Margaret Harder, P.Geo.
<b>9.0</b> Exploration	Tetra Tech	Margaret Harder, P.Geo.
<b>10.0</b> Drilling	Tetra Tech	Margaret Harder, P.Geo.
<b>11.0</b> Sample Preparation, Analyses, and Security	Tetra Tech	Margaret Harder, P.Geo.
<b>12.0</b> Data Verification	Tetra Tech	Margaret Harder, P.Geo./Michael O'Brien, M.Sc., Pr.Sci.Nat., FGSSA, FAusIMM, FSAIMM
<b>13.0</b> Mineral Processing and Metallurgical Testing		Kemetco Norm Chow, P.Eng.
<b>14.0</b> Mineral Resource Estimates	Tetra Tech	Norm Tribe, P.Eng., B.A.Sc./Michael O'Brien, Pr.Sci.Nat., FGSSA, FAusIMM, FSAIMM
<b>15.0</b> Mineral Reserve Estimates	Tetra Tech	Anoush Ebrahimi, P.Eng.
<b>16.0</b> Mining Methods	Tetra Tech	Anoush Ebrahimi, P.Eng.
<b>17.0</b> Recovery Methods	Tetra Tech	John Huang, P.Eng.
<b>18.0</b> Project Infrastructure	Tetra Tech	Sign-off by Section
<b>18.1</b> Introduction	Tetra Tech	John Huang, P.Eng.
<b>18.2</b> Process Plant	Tetra Tech	John Huang, P.Eng.

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 4 of 20

<b>18.3</b> Maintenance and Storage	Tetra Tech	John Huang, P.Eng.
<b>18.4</b> Administration Building	Tetra Tech	John Huang, P.Eng.
<b>18.5</b> Building Services	Tetra Tech	John Huang, P.Eng.
<b>18.6</b> Site Access Roads	Tetra Tech	Anoush Ebrahimi, P.Eng.
<b>18.7</b> Power Supply and Distribution	Tetra Tech	Jerry Harris, PE, P.Eng.
<b>18.8</b> Temporary Waste Storage Facility	Tetra Tech	Marvin Silva, P.Eng.
<b>18.9</b> Water and Waste Management	Tetra Tech	Marvin Silva, P.Eng.
<b>19.0</b> Market Studies and Contracts	Tetra Tech	Sabry Abdel Hafez, Ph.D., P.Eng.
<b>20.0</b> Environmental	Tetra Tech	John Huang, P.Eng.
<b>21.0</b> Capital and Operating Costs	Tetra Tech	Sign-off by Section
<b>21.1</b> Capital Cost Estimate	Tetra Tech	Hassan Ghaffari, P.Eng.
<b>21.2</b> Operating Cost Estimate	Tetra Tech	John Huang, P.Eng.
<b>21.2.1</b> Mine Operating Costs	Tetra Tech	Anoush Ebrahimi, P.Eng.
<b>22.0</b> Economic Analysis	Tetra Tech	Sabry Abdel Hafez, Ph.D., P.Eng.
<b>23.0</b> Adjacent Properties	Tetra Tech	Margaret Harder, P.Geo.
<b>24.0</b> Other Relevant Data and Information	Tetra Tech	Sabry Abdel Hafez, Ph.D., P.Eng.
<b>25.0</b> Interpretation and Conclusions		All Sign off by Section
<b>26.0</b> Recommendations		All Sign off by Section
<b>27.0</b> References		All Sign off by Section

The Artillery Peak Project is deemed to be not economic using a 3-year trailing average price for EMM.

Case	IRR (%)	NPV @ 5% (\$US million)	NPV@8% (\$US million)	NPV @ 10% (\$US million)	Pay Back (Years)
Base Case: 3 Year Trailing Average Price <sup>(1)</sup>	7.28	91.2	(22.9)	(74.4)	10.3

(1) The EMM price used to calculate the Base Case values was US\$1.54/lb.

As a result of the amended Base Case having negative NPV at an 8% discount rate, the project is deemed to be not economic. Accordingly, Section 15 of the Report was amended to show there are no mineral reserves for the Project that meet the CIM definition and consequently the mineral reserves for the Project were retracted. Section 16 of the Technical Report has also been amended to show the indicated resources within the open pit shell that have been used for planning purposes.

The project is most sensitive to the price of electrolytic manganese followed by operating costs and capital costs. During 2014, the price of EMM was around US\$1.00/lb and US\$1.05/lb. As shown in the Report, the total amount of EMM produced over the life of the mine is estimated to be 994,499 tonnes (about 2.19 billion pounds). The average unit production cost of the EMM, after credits from by-product and on-site waste steam power generation, is shown below. The plan incorporates a low waste strip ratio (2.20:1) and higher grade (3.13% Mn) in the first 6 years of operation; followed by the second phase of mining ending in year 10 that has an average grade of 2.68% MN and a waste strip ratio of 2.17:1.

Cost Center	First 6 Year Average EMM Unit Production Cost	Average EMM Unit Production Cost
Mining	\$0.175/lb	\$0.201/lb
Processing	\$0.720/lb	\$0.751/lb
General & Administration	\$0.052/lb	\$0.051/lb
Surface Services	\$0.012/lb	\$0.012/lb
<b>Total</b>	<b>\$0.959/lb</b>	<b>\$1.015/lb</b>

The initial capital cost is estimated at \$477 million, and would be mostly spent over the 2 year engineering,

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 5 of 20

procurement and construction period. The sustaining capital over the contemplated mine life is estimated at approximately \$60 million. Allowances for end of mine life expenditures for waste re-handling, site reclamation, and plant salvage have been made totaling about \$47 million.

The Report is based on geological work and drilling performed by the Company under the supervision of N. Tribe & Associates Ltd. Tetra Tech developed a geological block model for that portion of the deposit located along the northeast flank of Manganese Mesa that is most amenable to surface mining. The geological block model contains Indicated and Inferred resources estimated as follows:

<b>Category</b>	<b>Cut-off (%Mn)</b>	<b>Tonnes (Millions)</b>	<b>Grade (% Mn)</b>
Indicated Resource	0.5	65.7	2.2
Inferred Resource	0.5	20.4	2.5

The above resource estimates do not include mineral reserves, and the reader is cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

From this starting point, a mining plan was developed using waste haul back open pit mining techniques. The open pit has been designed to achieve a mine life of 21 years, and is estimated to contain an indicated resource of 45 million tonnes grading 2.46 % Mn. The average stripping ratio (waste tonnes: ore tonnes) is estimated at 2.46:1. A unique feature of the design is that most of the waste rock is disposed of within the mined out areas of the open pit as they become safely available; which minimizes land surface disturbance and hauling costs, while facilitating progressive site reclamation.

The mine production schedule is designed to produce about 50,000 tonnes of electrolytic manganese metal (EMM) annually from a processing plant capable of treating 7,000 tonnes of feed per day. Hydraulic front shovel and rubber-tire front end loading units are matched with 150 tonne mechanical drive haul trucks to provide the back bone of the mining fleet. Drilling, ancillary and support equipment are allocated to meet the requirements of the production schedule.

In October 2012 the Company completed successful production of working lithium ion battery prototypes utilizing chemical manganese dioxide (CMD) generated from Artillery Peak material. These prototypes (button cell batteries) are for test purposes only.

Producing working prototype lithium ion batteries represents a key breakthrough for American Manganese in the continuing development of the Company's patented hydrometallurgical process. CMD manufactured with this process eliminates electro winning and the need for any mechanical means of size reduction for the final product.

In December 2012, the Company reported that it has developed a low-cost, environmentally friendly hydrometallurgical process to recover manganese (Mn) from this Manganese Oxide resource located in Arizona, USA. The Company has applied for a patent for their hydrometallurgical process that produces electrolytic manganese metal from this Manganese Oxide deposit, with low energy and water consumption. As a development of the existing process, American Manganese has commissioned this research to determine uses of Artillery Peak manganese resource material to generate high value alternative products. Chemical manganese dioxide (CMD) and lithiated manganese oxide (LixMn2O4) for use in rechargeable batteries were the areas researched.

The research was successful in producing CMD from Artillery Peak resource material with low cation impurities and further avoiding processing steps that are known to introduce metallic impurities in the final product. Cation impurities cause capacity fade, whereas metallic impurities are known to cause catastrophic failures such as fire and explosions in lithium ion batteries. Working rechargeable lithium ion coin cell battery prototypes were produced from the CMD material.

The company received a report describing the results of this research project contracted by American Manganese to Kemetco Research Inc. The test program was partially funded by the Canadian Government through the National

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 6 of 20

Research Council, Industrial Research Assistance Program (NRC-IRAP) for development work conducted over a five month period.

Updated scientific and technical information about the Artillery Peak project in the foregoing paragraphs has been reviewed by Michael MacLeod, P. Eng., who is a Qualified Person under National Instrument 43-101.

**Patent Application Update**

In February 2013, the Company reported that the Company has received the "Notice of Allowance" from the United States Patent and Trade Mark Office for the Company's manganese recovery process. The "Notice of Allowance" is formal documentation indicating that the examination of the invention has been completed by the US Patent and Trademark Office and allowed for issuance as a patent. The Company's attorney completed documentation and submitting fees for formal issuance of the US Patent. "Allowance of this patent is a significant milestone for the Company as the invention is now secured as a key asset that can be exclusively capitalized." The invention is a technical break-through as it enables the recovery of manganese from these low grade multiple surface Manganese Oxide deposit with significantly less energy and environmental impact than conventional processing methods.

In June, 2013 the Company announced that it has received the "**US Patent No. 8460681**" from the United States Patent and Trade Mark Office for the Company's manganese recovery process

***Artillery Peak Project, Arizona USA***

The Artillery Peak project includes 100 unpatented mineral claims covering approximately 2,066 acres, 36 patented mineral claims covering approximately 698 acres, and 8 fee simple parcels covering 1,280 acres.

In 2012 the Company purchased 639.81 acres of patented surface, from local owners and real property holders embracing the reserved patented surface estates on 34 patented mining claims.

The remaining claims were acquired pursuant to the agreements described below.

*Purchase Agreement with Primus Resources, L.C.*

Pursuant to a Purchase Agreement dated May 31, 2007, the Company purchased 70 unpatented lode claims from Primus Resources, L.C. for US\$96,000 and 1,000,000 shares in the Company. The Purchase Agreement also provides for a 2% net smelter return royalty ("NSR") in favour of the Vendors. The Company has the right to repurchase 1% of the NSR for US\$2,000,000.

*Mining Lease and Option Agreements with David Huffman*

Pursuant to a further Mining Lease and Option to Purchase Agreement dated July 15, 2008, the Company agreed to lease 18 patented claims and four unpatented claims from David Huffman for a term of 10 years. The agreement provides for annual payments of US\$20,000, and the Company has an option to purchase the claims for an initial purchase price of US\$2,225,000, increasing by 2% each year. The Company must exercise the option to purchase prior to commencing commercial mining operations on the property. During the fiscal year the Company is focusing on its core holdings and decided to withdraw from the mining lease and option agreement with Dave Huffman.

*Lease Agreement with James Lake, Barton Noone, and Peter Noone*

On August 8, 2013, the Company and the Lessors entered into a "Stand Still Agreement" whereby the Lessor's agreed to waive and extinguish the advance minimum royalty payments that were scheduled to be paid within calendar year 2013 and 2014. As provisioned for within the underlying lease agreements the payments which were due during these two years are referenced as the 5<sup>th</sup> and 6<sup>th</sup> Anniversary Payments (see below). Application of this Stand Still Agreement additionally included the annual Grant of Manganese Payment provisioned for within Section 2 of the Grant of Manganese Agreement consummated by the Company and James L. Lake on August 1, 2008.

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 7 of 20

Pursuant to the Artillery Peak Agreement dated August 1, 2008, the Company acquired a lease over five fee simple parcels and 10 patented claims from James Lake, Barton Noone, and Peter Noone. The lease has a 10 year initial term and provides for the following payments:

- (i) US\$60,000 upon execution of the lease (paid)
- (ii) US\$80,000 upon 1st anniversary of the lease (paid)
- (iii) US\$100,000 upon 2nd anniversary of the lease (paid)
- (iv) US\$120,000 upon 3rd anniversary of the lease (paid)
- (v) US\$140,000 upon 4th anniversary of the lease (paid)
- (vi) US\$160,000 upon 5th anniversary of the lease (waived and extinguished)
- (vii) US\$180,000 upon 6th anniversary of the lease (waived and extinguished)
- (viii) US\$200,000 upon 7th and each subsequent anniversary of the lease

The leased properties are also subject to a royalty of US\$0.04/lb for manganese, and a net smelter return royalty of 1.5% on all other minerals. The lease payments described above constitute an advance on any royalty payments due to the lessors. The lease is renewable for up to 8 additional ten year terms provided that royalty payments of at least US\$500,000 are made during each preceding term.

*Payment waiver and extinguishment*

Subsequent to the year ended July 31, 2013, James Lake, Barton Noone and Peter Noone agreed to waive and extinguish the required 5<sup>th</sup> year anniversary and 6<sup>th</sup> year anniversary payments. The Company still intends to explore the property and will pay all ad valorem taxes on the property as well.

*Mining Lease Agreement with Arizona Manganese Corporation*

Pursuant to a Mineral Lease Agreement dated September 29, 2009, the Company acquired a lease over 43 patented mining claims from Arizona Manganese Corporation. During the initial 20 year term, the Mineral Lease Agreement provides for payments equal to the greater of a 2.25% NSR and the following annual amounts:

In September, 2013 the Company executed the termination of the agreement as provisioned for within Section 11.2 of the underlying lease agreement.

*Lease Agreement with James Lake and Steven Lake*

Pursuant to a Lease Agreement dated March 15, 2010, the Company leased three fee simple parcels and one patented claim from James Lake and Steven Lake. The Lease Agreement provides for the following annual payments:

- (i) \$14,000 US upon execution of the Lease Agreement (paid)
- (ii) \$18,000 US upon 1st anniversary of the Lease Agreement (paid)
- (iii) \$22,000 US upon 2nd anniversary of the Lease Agreement (paid)
- (iv) \$26,600 US upon 3rd anniversary of the Lease Agreement (paid)
- (v) \$46,500 US upon 4th anniversary of the Lease Agreement (waived and extinguished- see note below);
- (vi) \$53,100 US upon 5th anniversary of the Lease Agreement
- (vii) \$59,700 US upon 6th anniversary of the Lease Agreement
- (viii) \$63,300 US upon 7th and each subsequent anniversary of the Lease Agreement

The leased properties are also subject to a royalty of US\$0.04/lb for manganese, and a net smelter return royalty of 1.5% on all other minerals. The lease payments described above constitute an advance on any royalty payments due to the lessors. The lease is renewable for additional ten year terms provided that advance royalty payments as described above continue to be made.

During the year, James Lake and Steven Lake agreed to waive and extinguish the required 4<sup>th</sup> year anniversary payment. The Company still intends to explore the property and continues to maintain the property in good standing with regulatory authorities.

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 8 of 20

The lease agreement for this property was signed by only two of the three property owners. As a result, the Company has paid only two-thirds of the above payments. The lease agreement provides for a royalty of US\$0.04/lb for manganese, and a net smelter return royalty of 1.5% on all other minerals.

*2011 Mesa and Maggie acquisitions*

In 2011, the Company entered into 4 agreements to acquire a 100% 123.96 acres of reserved patented surface estates on 6 patented mining claims adjacent to the other Artillery claims. The total acquisition cost for these claims was \$81,230 US dollars, and the Company has no further obligations with respect to these claims.

*2011 Rudy, Muroc, Maggie and Shannon acquisitions*

In 2011, the Company entered into an additional agreement to acquire 100% of 515.85 acres of reserved patented surface estates on 28 patented mining claims adjacent to the other Artillery claims. The total acquisition cost for these claims was \$220,000 U.S. dollars, and the Company has no further obligations with respect to these claims.

*Additional Royalty Obligations*

In addition to the royalty and other payments listed above, the Artillery Peak properties are subject to the following royalty interests, which arise under "area of interest" agreements with the vendors of certain of the properties:

- (a) Primus Resources, L.C. is entitled to a 2% net smelter return royalty on all of the Company's other unpatented claims, in addition to those acquired from Primus Resources, L.C.
- (b) James Lake, Barton Noone, and Peter Noone are entitled to a royalty of US\$0.04 per pound of manganese produced from all of the unpatented claims of the Company.
- (c) James Lake is entitled to a royalty of US\$0.01 per pound of manganese produced from all of the Company's Artillery Peak Properties described above.

*Exploration Activities*

***Rocher Deboule property, British Columbia***

The Rocher Deboule property consists of mineral claims covering 10,230 hectares near Hazelton, British Columbia. The Company initially acquired 4 staked claims of 1,325 hectares in May 2001, and expanded the area of the property through additional staking. The Company owns a 100% interest in the Rocher Deboule property.

The Company has obtained a NI 43-101 report on the Rocher Deboule property prepared by A.A. Burgoyne, P. Eng., M.Sc., dated December 18, 2007. A copy of the report is also available on the SEDAR filing service at [www.sedar.com](http://www.sedar.com).

In August 2011, the Company conducted a mapping and sampling program at the Rocher Deboule property. The program entailed 22 km of ground magnetometer survey, 841 soil samples, 455 rock samples and 68 silt samples. The fieldwork carried out in 2012 focused on 3 areas of Cu-Ag-Au bearing mineralization.

In November 2012, the Company reported that the Geological fieldwork returned encouraging Cu-Ag-Au geochemical values at the Rocher Deboule project upper silvertip CK basin stockwork, lower silvertip CK No 2 & 4 veins and a new Iron Oxide Copper Gold ("IOCG") target south of the historic Victoria vein mine. The results of the program were reported in the Company's press release dated November 20, 2012, a copy of which is available on the SEDAR filing service at [www.sedar.com](http://www.sedar.com).

***Lonnie property, British Columbia***

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 9 of 20

The Lonnie property is a niobium exploration property. The property covers approximately 3,477 hectares in the Omineca Mining Division of British Columbia. The Company initially staked mineral claims covering an area of approximately 692 hectares. In October 2007, the Company acquired additional claims covering approximately 2,735 hectares at a cost of \$10,000 and 100,000 shares of the Company.

In September 2010, the Company conducted a geochemical prospecting program on the Lonnie-Virgil occurrence. The results of the program were reported in the Company's press release dated October 1, 2010, a copy of which is available on the SEDAR filing service at [www.sedar.com](http://www.sedar.com).

In May 2011, the Company entered into an option agreement with Rara Terra Capital Corp. ("Rara Terra") where Rara Terra has the right to earn a 60% interest in the Lonnie property in exchange for a cash payment of \$60,000 (\$24,603 paid) and issuance of 285,000 common shares of Rara Terra (150,000 received). To acquire the 60% interest, Rara Terra must also spend \$500,000 in exploration expenditures on the property.

In 2012, the Company and Rara Terra agreed to amend the amount due on the first anniversary from \$20,000 to \$4,603 in light of the additional costs incurred by Rara Terra in exploring the property during the year.

In September 2011, Rara Terra commenced a trenching and sampling program on the Property. A total of 876 soil samples were collected and analyzed. The results are encouraging, especially for three strongly anomalous zones returning up to 8467 ppm total Rare Earth Elements + Yttrium (TREE+Y) being delineated along a consistent five kilometre long NW trend. Additional anomalous zones have also been located, generally along the same strike trend, and could prove to be extensions of the known zones. Where warranted, anomalies will be followed-up by trenching and drilling programs to begin later this year.

In April, 2013 Rara Terra terminated the option agreement and transferred all claim blocks to the Company. The Company owns a 100% interest in the property.

***Zeolite property, British Columbia***

In May 2014, the Company acquired 42.03 hectares by staking the Zeo Tech, Bromley Creek Quarry Zeolite prospect located in Princeton British Columbia. The Company plans to group the Bromley Creek Zeolite property with the Line Creek and Fording River Phosphate properties as a joint venture proposition to interested parties.

***Silica property, British Columbia***

In April 2014, the Company acquired Silica deposits by staking the Koot Silica mineral claims: A high grade silica (SiO<sub>2</sub>) prospect. The Koot Project covers the area of 165.66 hectares and is located about 4 kilometers east-southeast of Canal Flats, British Columbia, Canada in the Golden Mining Division. In March 2015, American Manganese Inc. entered into an acquisition agreement with MGX Minerals Inc

***Phosphate property, British Columbia***

In February 2014, the Company acquired Phosphate claims by staking two claim blocks totalling 1581.21 hectares (3906.38 acres) in the Ft. Steele mining Division, located 11.5 km north of Sparwood, BC. The claim blocks historically known as "line Creek/Mount Lyne" and "Fording River" respectively, are 3.5 km apart and are easily accessible from existing roads and highway. Furthermore, a CP Rail line runs through the Fording claims. In March 2015 the Company allowed the claim blocks to lapse.

**SELECTED ANNUAL INFORMATION**

The following table shows total revenues, loss, assets, liabilities, and shareholders' deficiency for each of the five most recent fiscal years of the Company. The results of operations from years 2008 to 2010 are stated in accordance with Canadian GAAP and have not been updated to IFRS.

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 10 of 20

	<u>2014</u>	<u>2013</u>	<u>2012</u>
(a) Total Revenues	\$ 364	\$ 2,152	\$ 41,546
(b) Loss:			
i) In Total	\$ 473,280	\$ 2,879,361	\$ 5,616,703
ii) On a per share basis <sup>(1)</sup>	\$ 0.00	\$ 0.03	\$ 0.05
(c) Total Assets	\$10,009,845	\$ 9,899,158	\$11,995,354
(d) Total Liabilities	\$ 760,934	\$ 706,706	\$ 536,958
(e) Total Accumulated Deficit	\$(21,773,721)	\$(21,300,441)	\$(18,421,080)

<sup>(1)</sup> Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive

**RESULTS OF OPERATIONS**

Net loss for the fiscal year ended July 31, 2014 was \$473,280, compared to \$2,879,361 for the previous fiscal year. The Company does not generate revenue from operations, and has no revenues other than interest earned on the Company's balances of cash and cash equivalents. Accordingly the decrease in the Company's net loss for the fiscal year ended July 31, 2014 was principally due to the decrease in the Company's administrative and operating expenses, including decreased bad debts, wages and benefits and share-based compensation.

The Company recorded a net cash flow decrease of \$51,057 (2013 – \$173,104). The decrease in net cash flow is principally a result of lack of equity financing.

**Analysis of income statement items for the fiscal year ended July 31, 2014**

The Company did not record bad debt expense this year (2013 \$319,785).

During the fiscal year ended July 31, 2014, the Company incurred wages and benefits in the amount of \$101,122 (2013 – \$764,717). Due to reduced business activity and lack of financing the Company operated on reduced staff. The wages and benefits in the prior year comprised \$426,019 in employee severance accrual and \$335,008 in wages and benefits for the 2012 fiscal year.

During the fiscal year ended July 31, 2014, stock compensation expense of \$3,590 (2013 – \$213,080) was recorded under fair value based method, for options vested to directors, officers, employees and consultants. The decrease in stock based compensation is due to the vesting of previously granted options.

**American Manganese Inc.**  
**Amended Management’s Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 11 of 20

**Analysis of balance sheet items – July 31, 2014**

Cash and cash equivalents decreased from \$54,396 as at July 31, 2013 to \$3,339 as at July 31, 2014, principally as a result of lack of private placement financings and increased operating expenditures. Additional detail on the financings is set out below under “Liquidity and Capital Resources”.

Receivable from related parties decreased from \$167,603 as at July 31, 2013 to \$nil as at July 31, 2014, principally as a result expenses related to the common office facilities are shared among the companies and are allocated according to the relative amount of office space used by each of the companies in the prior years. The related party has since settled the amounts outstanding. The amount was non-interest bearing, unsecured and had no fixed terms of repayment. Additional information on this item is given below under “*Related party transactions*”.

Mineral property interests decreased from \$9,594,517 as at July 31, 2013 to \$9,940,327 as at July 31, 2014. Additional information on this item is given below under “*Analysis of mineral property costs*”.

The Company recorded share capital remains \$23,866,278 as at July 31, 2013 (111,492,547 shares) to \$23,866,278 (111,492,547 shares) as at July 31, 2014. Additional information on the share issuances is contained under “*Liquidity and Capital Resources*”.

**SELECTED QUARTERLY INFORMATION**

The following table summarizes information derived from the Company’s financial statements for each of the eight most recently completed quarters:

<b>Quarter Ended:</b>	<b>31-Jan</b>	<b>31-Oct</b>	<b>31-Jul</b>	<b>30-Apr</b>	<b>31-Jan</b>	<b>31-Oct</b>	<b>31-Jul</b>	<b>30-Apr</b>
<b>Year:</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
Total Revenues	\$19	\$28	\$ 1	\$ 84	\$229	\$50	\$ 1080	\$ (1,142)
Loss in Total	\$15,531	\$24,411	\$242,946	\$87,317	\$87,907	\$55,110	\$1,895,212	\$84,511
Per share basis <sup>(1)</sup>	\$0.000	\$0.000	\$0.002	\$0.0007	\$0.0008	\$0.0006	\$0.01	\$0.0007

<sup>(1)</sup> Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive

**Analysis of income statement items for the three months period ended January 31, 2015**

Net loss for the three months period ended January 31, 2015 was \$15,531, compared to net loss of \$87,907 for the prior year three month period. The decrease in Company’s net loss for the three-month period ended January 31, 2015 was principally due to reduced operating expenses and lack of financing.

The Company only incurs expenditures that are absolutely necessary to keep its premises and properties in good standing.

Overall due to lack of financing and working capital deficiency the Company has significantly reduced all expenses and all categories until more capital is raised.

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 12 of 20

**Analysis of balance sheet items for the three month period ended January 31, 2015**

Cash and cash equivalents increased from \$3,339 as at July 31, 2014 to \$13,958 as at January 31, 2015 principally as a result private placement in August 2014. The Company is seeking sources of private placement financings and partners' in capital project expenditures.

Amounts receivable decreased slightly from \$30,051 to \$29,758 as at January 31, 2015. The amount is principally Input tax credits amount.

Exploration and evaluation assets increased from \$9,940,327 to \$11,390,075 as at January 31, 2015. Additional information on this item is given below under "Analysis of mineral property costs".

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 13 of 20

**Analysis of Mineral Property Costs**

The following table shows a breakdown of the Company's capitalized exploration and development costs for the six month period ended January 31, 2015, fiscal year ended July 31, 2014 and fiscal year ended July 31, 2013.

	Balance July 31, 2013	Expenditures/ (Recovery)	Translation adjustments	Balance July 31, 2014	Expenditures/ (Recovery)	Translation adjustments	Balance January 31, 2015
<b>Rocher Deboule property, British Columbia</b>							
Acquisition and staking	\$ 164,452	\$ -	\$ -	\$ 164,452	-	\$ -	\$ 164,452
Assays & analysis	73,767	-	-	73,767	-	-	73,767
Camp & supplies	59,504	-	-	59,504	-	-	59,504
Drilling	146,826	-	-	146,826	-	-	146,826
Freight & transport	-	-	-	-	-	-	-
Geological and geophysical	555,647	-	-	555,647	-	-	555,647
Geologist travel and accommodation	21,197	-	-	21,197	-	-	21,197
Freight and transport	97,638	-	-	97,638	-	-	97,638
BC Mining Exploration Tax Credit	(258,594)	(21,844)	-	(280,438)	-	-	(280,438)
	\$ 860,438	\$ (21,844)	\$ -	\$ 838,594	-	\$ -	\$ 838,594
<b>Lonnie property British Columbia</b>							
Acquisition and staking	\$ 54,121	\$ -	\$ -	\$ 54,121	-	\$ -	\$ 54,121
Assays & analysis	4,528	-	-	4,528	-	-	4,528
Drilling	60,073	-	-	60,073	-	-	60,073
Geological and geophysical	45,915	-	-	45,915	-	-	45,915
Geologist travel and accommodation	186	-	-	186	-	-	186
Mineral property option	(56,000)	-	-	(56,000)	-	-	(56,000)
BC Mining Exploration Tax Credit	(28,480)	-	-	(28,480)	-	-	(28,480)
	\$ 80,343	\$ -	\$ -	\$ 80,343	-	\$ -	\$ 80,343
<b>Silica Property British Columbia</b>							
Acquisition and staking	\$ -	\$ 710	\$ -	\$ 710	-	\$ -	\$ 710
	\$ -	\$ 710	\$ -	\$ 710	-	\$ -	\$ 710
<b>Phosphate property British Columbia</b>							
Acquisition and staking	\$ -	\$ 2,767	\$ -	\$ 2,767	-	\$ -	\$ 2,767
	\$ -	\$ 2,767	\$ -	\$ 2,767	-	\$ -	\$ 2,767
<b>Zeolite property British Columbia</b>							
Acquisition and staking	\$ -	\$ 74	\$ -	\$ 74	-	\$ -	\$ 74
	\$ -	\$ 74	\$ -	\$ 74	-	\$ -	\$ 74
<b>Artillery Peak property Arizona</b>							
Acquisition and staking	\$ 2,476,880	\$ 24,679	\$ 150,994	\$ 2,652,553	\$ 426,436.04	\$ -	\$ 3,078,989
Assays & analysis	324,837	-	19,751	344,588	55,397.48	-	399,985
Drilling	2,443,479	-	148,572	2,592,051	416,709.48	-	3,008,760
Equipment and rentals	9,273	-	565	9,838	1,581.57	-	11,419
Geological and geophysical	3,793,065	-	230,632	4,023,697	646,867.16	-	4,670,564
Geologist travel and accommodation	180,985	-	11,004	191,989	30,864.99	-	222,854
Property maintenance	31,883	-	1,939	33,822	5,437.33	-	39,259
Other fieldwork	3,670	-	224	3,894	626.02	-	4,520
Impairment	(610,335)	(187,047)	(37,209)	(834,591)	(134,172.51)	-	(968,764)
	\$ 8,653,737	\$ (162,368)	\$ 526,472	\$ 9,017,841	\$ 1,449,748	\$ -	\$ 10,467,588
<b>Total</b>	<b>\$ 9,594,517</b>	<b>\$ (180,661)</b>	<b>\$ 526,472</b>	<b>\$ 9,940,327</b>	<b>\$ 1,449,748</b>	<b>\$ -</b>	<b>\$ 11,390,075</b>

## **LIQUIDITY AND CAPITAL RESOURCES**

As at January 31, 2015 the Company had a cash and cash equivalent balance of \$13,958 and working capital deficiency of \$753,373, compared to a working capital deficiency of \$727,044 as at July 31, 2014. The increase in the Company's cash balance and working capital deficiency resulted from lack of private placements and continued expenditure on operations and advancement of Company's project.

During the three-month period ended January 31, 2015, there were no warrants or options exercised.

In August 2014, the Company raised \$37,000 for the first tranche through the sale of \$1,233,333 units of the Company at a price of \$0.03 per unit. Each Unit is comprised of one common share in the capital of Company plus a share purchase warrant.

In July 2013, the Company issued 266,000 shares for \$13,300 debt settlement with Steven Lake in connection with property lease payment agreement.

In April, 2013 the Company closed its private placement raising \$150,000 issuing 3,000,000 shares at a price of \$0.05 per unit. Each Unit is comprised of one common share in the capital of the plus a two year share purchase warrant. Each Warrant entitles the holder to purchase one Share at a price of \$0.10 two years from the date of issuance, subject to accelerated exercise if the Shares trade at \$0.15 per Share for 20 consecutive days.

During the fiscal year ended July 31, 2012, 3,234,942 warrants were exercised for proceeds of \$1,006,850 and 53,000 stock options were exercised for proceeds of \$19,228.

In June 2012, the Company granted 700,000 incentive stock options pursuant to its Stock Option Plan to Director, Jan Eigenhuis, who joined the board of directors May 17, 2012. These options are exercisable at a price of \$0.10 per share for a period of five years and are subject to vesting provisions in accordance with the Company's Stock Option Plan. The proceeds from the private placements and warrants are being used principally to advance the development of the Artillery Peak Property Group and for general corporate purposes.

In August 2011, the Company announced that the board of directors has authorized the grant of 4,253,000 incentive stock options pursuant to its stock option plan to directors, officers, employees and consultants of the Company. These options are exercisable at a price of \$0.58 per share for a period of five years and are subject to vesting provisions in accordance with the Company's stock option plan. The Company currently has reduced staff and discretionary expenses to preserve cash.

Excluding exploration costs, the Company's current general and administrative cash expenditures are approximately \$5,000 per month.

The Company is investigating sources of further funding, and anticipates raising additional funds in the next fiscal year. The Company also anticipates that it will continue its exploration program on the Artillery Peak property group as well as focusing additional resources on other aspects of the development of the Artillery Peak Property Group, metallurgy and feasibility studies. The Company does not generate revenue from operations, and has been dependent upon its ability to raise equity capital through the issuance of shares to pay ongoing operating expenses and the costs associated with its exploration and development activities.

**USE OF PROCEEDS FROM FINANCINGS**

<b><u>Date of financing and planned use of proceeds</u></b>	<b><u>Actual use of proceeds</u></b>
February 10, 2011 Financing: \$4,178,089 \$2,850,000 to be used towards pre-feasibility, pilot plant, drilling, baseline environmental work \$1,343,088 to be used towards general working capital.	All funds committed as per plan
March 8, 2011 Financing: \$5,040,000 \$1,500,000 to be used towards advancing the pre-feasibility study and pilot plant testing. \$980,000 towards advanced environmental and metallurgy studies. \$2,560,000 to be used towards general working capital.	All funds committed as per plan
April 22, 2013 Financing: \$150,000 \$150,000 to be used towards general working capital	All funds committed as per plan
August 29, 2014 Financing: \$37,000 to be used towards general working capital	All funds committed as per plan

**OUTSTANDING SHARE DATA**

As at January 31, 2015 the Company had 112,725,880 common shares issued and outstanding. As at the date of this report, the Company has 112, 725,880 common shares issued and outstanding.

As at January 31, 2015, the Company also had outstanding share purchase warrants to purchase 1,733,333 common shares of the Company at an average price of \$0.08 per share. 1,233,333 warrants entitled the holder to acquire one additional common share at an average price of \$0.05 per share were granted during the three month period October 31, 2014.

As at January 31, 2015, the Company had outstanding share option to purchase 6,271,333 common share of the Company at an average price of \$0.34 per share. During the current period 1,799,000 options expired without exercise.

The following table shows information relating to the Company's outstanding stock options.

**Stock options granted**

	<b>For the period ended October 31, 2011</b>	<b>For the period ended July 31, 2011</b>	<b>For the period ended July 31, 2010</b>
Dividend yield	0%	0%	0%
Expected volatility	121%	140.3%	147.7%-153.8%
Risk-free interest rate	1.24%	2.00%	2.76% - 2.79%
Pre-vest forfeiture rate	1.92%	2.11%	2.36-3.32%
Expected lives	5 years	5 years	5 years

In December 2010, the Shareholders of the Company passed the adoption of a Shareholders' Rights Plan Agreement. The Rights Plan has been adopted to ensure the fair treatment of all American Manganese shareholders in connection with any possible future take-over bids for the outstanding common shares of the Company. The

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 16 of 20

Rights Plan will provide shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan is similar to the plans adopted by other Canadian companies.

In January 2013 the Company received TSX Venture Exchange approval to extend the expiry date of the following warrants:

Prospectus Unit Offering:

<b># of Warrants (not including Agents Warrants):</b>	<b>13,827,461</b>
Original Expiry Date of Warrants:	February 9, 2013
<b>New Expiry Date of Warrants:</b>	<b>February 9, 2015</b>
Exercise Price of Warrants:	\$0.40

**OFF-BALANCE SHEET ARRANGEMENTS**

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

**RELATED PARTY TRANSACTIONS**

**a) Investment in subsidiaries**

The wholly owned subsidiary of the Company has been incorporated in the USA and is included in these consolidated financial statements.

**b) Transactions with related parties**

The Company shared its office premises with Goldrea Resources Corp. and Nevada Clean Magnesium Inc., companies which share common directors with the Company until November 2013. In addition, certain personnel are shared between the three companies. Expenses related to the common office facilities are shared among the companies and are allocated according to the relative amount of office space used by each of the companies. The salary and related costs of common personnel are allocated according to the relative time expended on each company.

At January 31, 2015, \$27,755 is payable to the CEO and a director of the Company for accrued salary (July 31, 2014 - \$55,079 payable). The amount is non-interest bearing, unsecured and has no fixed terms of repayment.

In October 2012, the Company terminated all employment contracts due to budgetary and financial constraint. The Company calculated severance compensation based on employment contract and length of service as per British Columbia Employment Standards Act. During the fiscal year ended July 31, 2013 the Company recorded compensation liabilities in the amount of \$396,019, the balance of which is included in accounts payable and accrued liabilities.

During the year ended July 31, 2014, \$82,368 (2013 - \$71,400) was paid to management and a director of the company for consulting fees.

**c) Compensation of key management personnel**

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's Executive Leadership Team. The Executive Leadership Team consists of the CEO and President, a Director and Chief Operating Officer.

**American Manganese Inc.**  
**Amended Management’s Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 17 of 20

Total compensation expense for key management personnel and the composition thereof, is as follows:

	<b>Period ended January 31, 2015</b>	<b>Fiscal Year Ended July 31, 2014</b>
Short term benefits	\$ -	\$ 82,368
Termination benefits	-	-
Share-based compensation	-	-
Carrying amount	\$ -	\$ 82,368

*Participation in private placement*

Paul Hildebrand, a director of the Company, acquired 100,000 units at \$0.20 per unit in the private placement completed by the Company in February 2010, 277,777 units at \$0.18 per unit in the private placement completed by the Company in August 2010 and 50,000 units at \$0.30 per unit in the private placement completed by the Company in February 2011.

Michael Macleod, an officer of the Company, acquired 50,000 units at \$0.20 per unit in the private placement completed by the Company in February 2010 and 250,000 units at \$0.18 per unit in the private placement completed by the Company in August 2010.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments and other equity-based payments, the value of the premium included in flow-through share issuances and the estimated useful life and recoverability of equipment. Actual results may differ from those estimates and judgments.

**Recent Accounting Pronouncements**

*Recently Adopted Accounting Pronouncements*

The following IFRS standards were adopted by the Company during the year ended July 31, 2014:

**a) IFRS 10 – Consolidated Financial Statements**

IFRS 10, ‘Consolidated Financial Statements’ was issued in May 2011 and will supersede the consolidation requirements in SIC-12 ‘Consolidation – Special Purpose Entities’ and IAS 27 ‘Consolidated and Separate Financial Statements’ effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also

provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing the impact of this standard.

**b) IFRS 11 – Joint Arrangements**

IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Company does not expect this standard to have a significant impact on the financial statements.

**c) IFRS 12 – Disclosure of Interests in Other Entities**

IFRS 12, 'Disclosure of Interests in Other Entities' was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company does not expect this standard to have a significant impact on the financial statements.

**d) IFRS 13 – Fair Value Measurement**

IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

*Future Accounting Pronouncements*

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

**a) IFRS 9 – Financial Instruments**

IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is currently assessing the impact of this standard.

**RISK FACTORS RELATING TO THE COMPANY'S BUSINESS**

As a company active in the mineral resource exploration and development industry, American Manganese Inc. is exposed to a number of risks.

*Exploration Stage Operations*

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. Most

**American Manganese Inc.**  
**Amended Management's Discussion and Analysis**  
**For the Three and Six Month Period Ended January 31, 2015**  
Page 19 of 20

exploration programs fail to locate a body of commercial ore. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercial ore body. The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate.

In addition, even if the Company is successful in locating a commercial ore body, there is no assurance that the Company will be able to bring such an ore body into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the government permits required to exploit a commercial ore body. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

If the Company is able to bring an ore body into commercial production, operating mines also face substantial operating risks, which include, but are not limited to, unusual or unexpected geological conditions, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and inability to obtain adequate machinery, equipment or labour.

If the Company is unsuccessful in its attempts to locate a commercial ore body and to commence commercial production, the Company may seek to transfer its property interests or otherwise realize value, or may even be required to abandon its business and fail as a going concern.

#### *Competition*

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, and the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

#### *Financial Markets*

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

#### *Environmental and Government Regulation*

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. The Company has implemented safety and environmental measures designed to comply with government regulations, and to ensure safe, reliable and efficient operations in all phases of its operations. In addition, the Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. However, the Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

*Title to Properties*

While the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

*Foreign Currency*

A portion of the Company's expenses are incurred in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

**ADDITIONAL INFORMATION**

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).