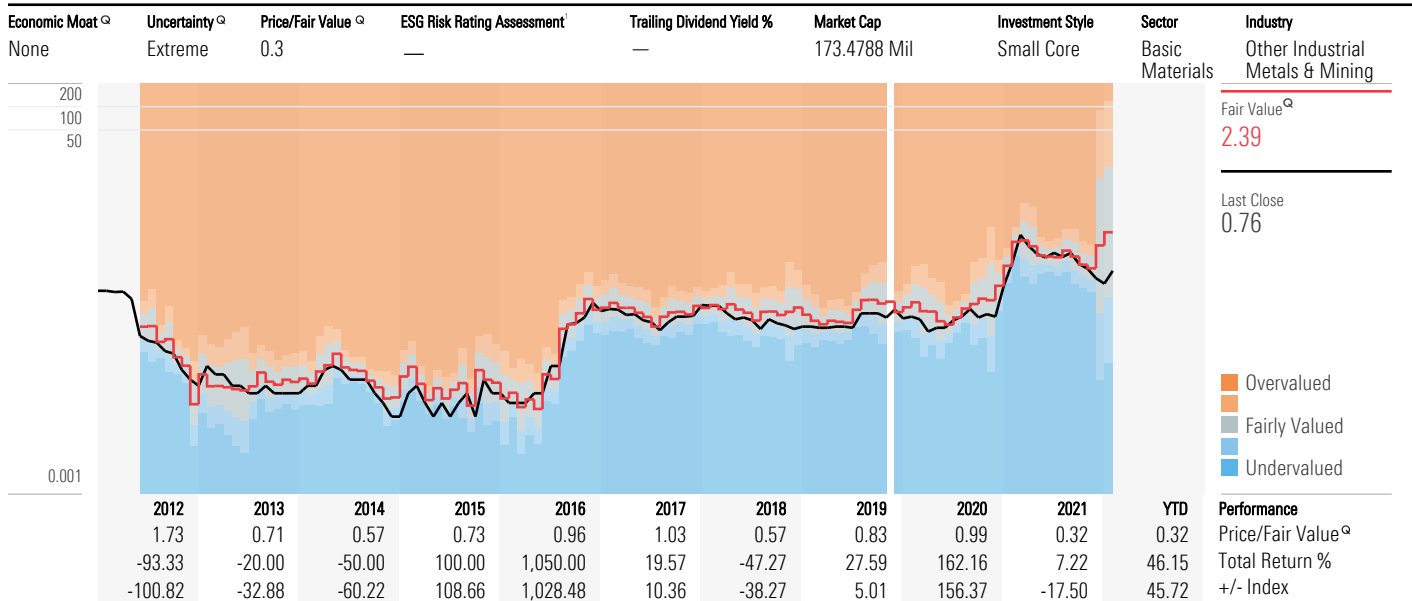


American Manganese Inc AMY ★★★ 13 Jan 2022, 23:43 UTC



Total Return % as of 13 Jan 2022. Last Close as of 13 Jan 2022. Fair Value as of 13 Jan 2022, 23:43 UTC. Index: Morningstar Canada GR CAD.

'The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Valuation^Q as of 13 Jan 2022



Fair Value^Q
2.39
Uncertainty^Q :
Extreme

AMy is Under Valued at a 68% discount.

Economic Moat^Q

☐ None

Financial Health^Q

Moderate

1-Star Price^Q

> 116.26

5-Star Price^Q

< 0.05

Financials as of 13 Jan 2022 (Fiscal Year End 31 Jul 2022)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	Fiscal
Revenue	0	0	0	—	—	0	0	0	0	0	0	Revenue
Operating Income (Mil)	-5.62	-1.70	-0.27	-0.17	-0.31	-2.00	-2.42	-3.17	-2.04	-13.05	-4.18	Operating Income (Mil)
Operating Margin (%)	—	—	—	—	—	—	—	—	—	—	—	Operating Margin (%)
Net Income (Mil)	-5.62	-2.88	-0.47	-6.12	-0.81	-2.01	-2.43	-8.05	0.38	-13.06	-4.19	Net Income (Mil)
Diluted Earnings/Share	-0.05	-0.03	0.00	-0.05	-0.01	-0.01	-0.02	-0.05	0.00	-0.07	-0.02	Diluted Earnings/Share
Operating Cash Flow (K)	-3,807	-983	-236	-39	-157	-2,247	-1,926	-2,294	-813	-2,155	-949	Operating Cash Flow (K)
Capital Spending (K)	-3,050	-207	-28	-2	-6	—	—	—	—	—	-6	Capital Spending (K)
Free Cash Flow (K)	-6,857	-1,190	-264	-41	-163	-2,247	-1,926	-2,294	-813	-2,155	-949	Free Cash Flow (K)
Avg Shares Outstand(Mil)	107	110	111	113	117	138	156	171	179	200	225	Avg Shares Outstand(Mil)
Dividend Per Share	—	—	—	—	—	—	—	—	—	—	—	Dividend Per Share

Valuation as of 13 Jan 2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Current	Calendar
Price/Fair Value ^Q	1.73	0.71	0.57	0.73	0.96	1.03	0.57	0.83	0.99	0.32	0.32	Price/Fair Value ^Q
Price/Sales	—	—	—	—	—	—	—	—	—	—	—	Price/Sales
Price/Earnings	—	—	—	—	—	—	—	—	—	—	—	Price/Earnings
Price/Cash Flow	—	0.79	—	—	—	—	—	—	—	—	—	Price/Cash Flow
Price/Book	0.25	0.24	0.12	0.46	5.72	7.89	4.08	36.19	58.12	5.13	7.50	Price/Book

Operating Performance as of — (Fiscal Year End 31 Jul 2022)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q3	Fiscal (%)
Return on Assets	-41.86	-26.3	-4.75	-77.1	-14.39	-35.7	-38.51	-205	38.95	-314	-26.13	Return on Assets
Return on Equity	-43.35	-27.89	-5.13	-86.14	-17.27	-40.59	-40.45	-213	43.18	-343	-26.73	Return on Equity
Rtn on Invested Capital	-43.64	-27.78	-4.98	-86.0	-17.28	-40.51	-40.4	-213	43.37	-342	-26.73	Rtn on Invested Capital

Business Description

American Manganese Inc is a critical metals company focused on the recycling of lithium-ion batteries with the RecyLiCo Patented Process. The process provides high extraction of cathode metals, such as lithium, cobalt, nickel, manganese, and aluminium at battery-grade purity, with minimal processing steps. It aims to commercialize its

breakthrough RecyLiCo Patented Process and become an industry leader in recycling cathode materials from spent lithium-ion batteries. Geographically, it operates in Canada and the United States.

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- ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.
 - Narrow** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.
 - Wide** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.
 - None** – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

- iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

One-Star – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

Two-Star - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative*

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

Five-Star – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

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ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

This Report **has not been made available** to the issuer of the security prior to publication.

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