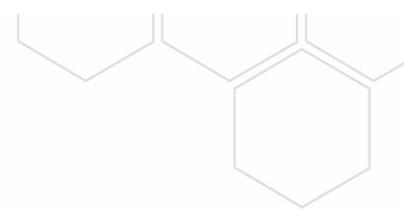


Nano PLORE

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three-month periods ended September 30, 2023 and 2022





[Unless specified otherwise, all amounts are expressed in Canadian dollars]

This interim Management's discussion and analysis ("MD&A") provides a review of NanoXplore Inc.'s operations, performance and financial position for the three-month periods ended September 30, 2023 and 2022 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three-month periods ended September 30, 2023 and 2022. The purpose of this document is to provide information on our activities. The information contained herein is dated as of November 7, 2023, date on which the MD&A was approved by the Corporation's board of directors. You will find more information about us on NanoXplore's website at www.nanoxplore.ca and on SEDAR+ at <https://www.sedarplus.ca>, including all press releases.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting. The Corporation has consistently applied the accounting policies used in the preparation of its IFRS financial statements, including the comparative figures. We occasionally refer to non-IFRS financial measures in the MD&A. See the Non-IFRS measures section for more information. The terms "we", "our", "us", "NanoXplore" or the "Corporation" mean NanoXplore Inc. and its subsidiaries, unless otherwise indicated.

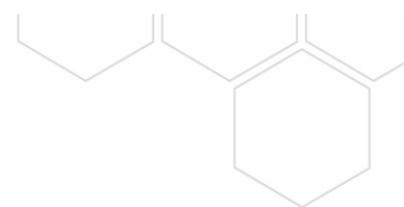
"Q1-2024" and "Q1-2023" refer to the three-month periods ended September 30, 2023 and 2022 respectively.

1. FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements within the meaning of applicable Canadian securities laws with respect to the Corporation. Such forward-looking statements are dependent upon a certain number of factors and are subject to risks and uncertainties. Actual results may differ from those expected. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable, but it advises the reader that these assumptions with regard to future events, many of which are beyond the Corporation's control, could prove incorrect as they are subject to risks and uncertainties inherent in the Corporation's activities. Management does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information of future events, except when required by the regulatory authorities.

This MD&A contains forward-looking statements. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "project", "expect" and similar expressions are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect NanoXplore's then current views with respect to future events based on certain facts and assumptions and are subject to certain risks and uncertainties, including without limitation changes in the risk factors described under the section "*Risks and Uncertainties*" of this MD&A. The forward-looking statements are based on certain key expectations and assumptions made by NanoXplore, including expectations and assumptions concerning availability of capital resources, business performance, market conditions and customer demand. Although NanoXplore believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that they will prove to be correct.

Many factors could cause NanoXplore's actual results, performance or achievements to vary from those described in this MD&A, including without limitation those listed above, those described under the section "*Risks and Uncertainties*" of this MD&A as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements should not be unduly relied upon. NanoXplore does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by these cautionary statements. Forward-looking statements contained in this MD&A about prospective results of operations, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on NanoXplore's management's assessment of the relevant information currently available. Readers are cautioned that outlook information contained in this MD&A should not be used for the purposes other than for which it is disclosed herein or therein, as the case may be.



2. BUSINESS OVERVIEW

CORPORATION OVERVIEW

NanoXplore is a graphene company, a manufacturer and supplier of high-volume graphene powder for use in transportation and industrial markets. Also, the Corporation provides standard and custom graphene-enhanced plastic and composite products to various customers in transportation, packaging, electronics, and other industrial sectors. The Corporation is also a silicon-graphene-enhanced Li-ion battery manufacturer for the Electric Vehicle and grid storage markets. The Corporation was formed by amalgamation under the *Canada Business Corporations Act* by Certificate of Amalgamation dated September 21, 2017 and is headquartered at 4500 Thimens Blvd, Montreal, QC, Canada.

NanoXplore is listed on the Toronto Stock Exchange ("TSX") and traded under "GRA" and is also listed on the OTCQX and traded under "NNXPF".

The Corporation has the following subsidiaries:

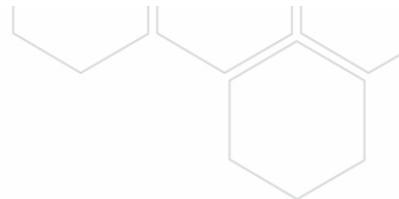
Subsidiaries	Reporting segment
NanoXplore Switzerland Holding SA ("NanoXplore Switzerland"), based in Switzerland, with an equity interest of 100% [2022 – 100%]. NanoXplore Switzerland holds 100% of CEBO Injections SA ("CEBO")	Advanced materials, plastics and composite products
NanoXplore Holdings USA, Inc. ("NanoXplore Holdings USA"), based in the United States, with an equity interest of 100% [2022 – 100%]. NanoXplore Holdings USA holds 100% of NanoXplore USA, Inc. [2022 – 100%] and RMC Advanced Technologies Inc. [2022 – nil].	Advanced materials, plastics and composite products
Sigma Industries Inc. ("Sigma"), based in Canada, with an equity interest of 100% [2022 – 100%]. Sigma has two active wholly owned subsidiaries; Faroex Ltd., based in Manitoba, and Rene Composite Materials Ltd., based in Quebec. Rene Composite Materials Ltd. owns no subsidiary [2022 – one active wholly owned subsidiary; RMC Advanced Technologies Inc., based in the United States, that is now owned by NanoXplore Holdings USA, Inc.]	Advanced materials, plastics and composite
Canuck Compounders Inc. ("Canuck"), based in Canada, with an equity interest of 100% [2022 – 100%]	Advanced materials, plastics and composite products
VoltaXplore Inc. ("VoltaXplore"), based in Canada, with an equity interest of 100% [2022 – 50%]	Battery cells

REPORTING SEGMENTS

The Corporation has two reportable segments based on products:

- **Advanced materials, plastics and composite products:**
Provides standard and custom graphene-enhanced plastic and composite products to various customers in transportation, packaging, electronics, and other industrial sectors.
- **Battery cells:**
Provides silicon-graphene-enhanced Li-ion battery for the Electric Vehicle and grid storage markets. There are no revenues yet generated from this segment.

Corresponding operations and activities are managed accordingly by the Corporation's Chief Operating Decision Maker. Segmented operating, financial information and labelled key performance indicators are available and used to manage these business segments, review performance and allocate resources.



KEY FINANCIAL HIGHLIGHTS

- Total revenues of \$28,936,031 in Q1-2024 compared to \$27,232,525 in Q1-2023, representing a 6% increase;
- Gross margin on revenues from customers of 19.7% in Q1-2024 compared to 11.6% in Q1-2023;
- Adjusted EBITDA⁽¹⁾ of \$170,654 for the advanced materials, plastics and composite products segment offset by -\$618,986 for the battery cells segment (VoltaXplore initiative) for a net adjusted EBITDA in Q1-2024 of -\$448,332 compared to -\$1,977,032 in Q1-2023;
- Total liquidity of \$39,581,390 as at September 30, 2023, including cash and cash equivalents of \$28,933,670;
- Total long-term debt of \$7,498,468 as at September 30, 2023, down by \$377,420 compared to June 30, 2023.

BUSINESS HIGHLIGHTS

During the three-month period ended September 30, 2023, the Corporation continued to focus on developing markets for its graphene products and to develop down stream pre-mixed additives and products that facilitate such introduction. The Corporation has been successful in integration of GrapheneBlack in a few streams of products, both internally and externally. The Corporation continues its engagement with many potential customers that are currently validating GrapheneBlack and GrapheneBlack improved masterbatches, concentrates, and products.

5-year strategic and investment plan update

Last year, the Corporation announced its 5-year strategic and investment plan and has begun executing it. The plan represents an increase in the production capacity of graphene, battery materials and graphene enhanced masterbatch, compound and composite products.

As part as its 5-year strategic and investment plan:

- 1- The Corporation, via VoltaXplore, has agreed on commercial terms for the supply of Li-ion battery cells with a well-known commercial vehicle OEM. Battery cells will be produced in VoltaXplore's gigafactory starting from 2026. The agreement is for 1 GWh per year for a duration of 10 years following a pricing formula that passes through raw material cost to the customer.
- 2- The Corporation has been awarded three programs from two existing customers, one large commercial vehicle OEM and one industrial equipment manufacturer, to supply exterior parts of vehicles. These components are used in both internal combustion engines and electric vehicles. Production for the first program will begin in 2024 while the start of production for the other two programs is planned for 2026. These programs generally last for a period of 10 years. The Corporation estimates that these programs will generate \$24M in annual sales at mature volumes along with a one-time tooling revenue of \$10M. The Corporation has already secured the related manufacturing equipment to fulfill these orders and the expansion of the North Carolina facility is ongoing.

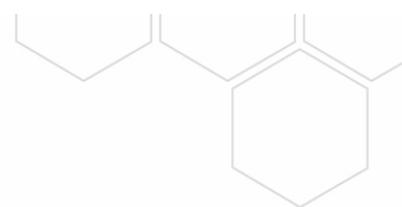
Total liquidity

As at September 30, 2023, the Corporation had total liquidity of \$39,581,390, including cash and cash equivalents and availability under the Corporation's operating loans.

Long-term debt

The total long-term debt decreased from \$7,875,888 as at June 30, 2023 to \$7,498,468 as at September 30, 2023 for a variation of \$377,420. Repayment amounted to \$407,089 during the three-month period ended September 30, 2023.

⁽¹⁾ Adjusted EBITDA is a non-IFRS measure and that reconciliation can be found in the section "Overall Results"



3. OVERALL RESULTS

HIGHLIGHTS

The following table sets out certain highlights of the Corporation's performance for the three-month periods ended September 30, 2023 and 2022. Refer to the Corporation's unaudited condensed interim consolidated financial statements for the three-month periods ended September 30, 2023 and 2022 for a detailed account of the Corporation's performance for the results presented in the tables below.

In summary:

	Q1-2024	Q1-2023	Variation	
	\$	\$	\$	%
Revenues	28,936,031	27,232,525	1,703,506	6%
Operating loss	(4,000,680)	(5,774,600)	1,773,920	31%
Loss	(3,726,078)	(5,924,072)	2,197,994	37%
Loss per share (Basic and diluted)	(0.02)	(0.04)		
Non-IFRS Measures *				
Adjusted EBITDA	(448,332)	(1,977,032)	1,528,700	77%

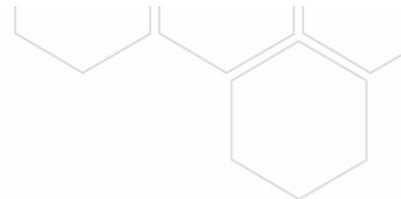
By reporting segment:

	Q1-2024	Q1-2023	Variation	
	\$	\$	\$	%
From Advanced materials, plastics and composite products				
Revenues	28,914,101	27,232,525	1,681,576	6%
Non-IFRS Measures:				
Adjusted EBITDA *	170,654	(1,977,032)	2,147,686	109%
From Battery cells				
Revenues	21,930	—	21,930	100%
Non-IFRS Measures:				
Adjusted EBITDA *	(618,986)	—	(618,986)	(100%)

Results of operations may include certain unusual and other items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Corporation results. In addition to IFRS measures, management uses non-IFRS measures in the Corporation's disclosures that it believes provide the most appropriate basis on which to evaluate the Corporation's results.

* NON-IFRS MEASURES

This MD&A was prepared using results and financial information determined under IFRS. However, the Corporation considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Corporation. These measures, which the Corporation believes are widely used by investors, securities analysts and other interested parties in evaluating the Corporation's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures include "Adjusted EBITDA".



The following table provides a reconciliation of IFRS "Loss" to Non-IFRS "Adjusted EBITDA" for the three-month periods ended September 30, 2023 and 2022.

	Q1-2024 \$	Q1-2023 \$
Loss	(3,726,078)	(5,924,072)
Current and deferred income tax recovery	(226,429)	(217,611)
Net interest expenses (revenues)	(29,913)	55,653
Share of loss of a joint venture	—	311,430
Gain on disposal of property, plant and equipment	(18,260)	—
Foreign exchange	572,596	1,614,040
Share-based compensation expenses	302,062	222,832
Non-operational items ⁽¹⁾	40,000	—
Depreciation and amortization	2,637,690	1,960,696
Adjusted EBITDA	(448,332)	(1,977,032)
- From Advanced materials, plastics and composite products	170,654	(1,977,032)
- From Battery cells	(618,986)	—

⁽¹⁾ Non-operational items consist of professional fees mainly due to prospectuses related fees.

RESULTS OF OPERATIONS VARIANCE ANALYSIS

Revenues

	Q1-2024 \$	Q1-2023 \$	Variation	
			\$	%
Revenues from customers	28,706,752	27,147,167	1,559,585	6%
Other income	229,279	85,358	143,921	169%
Total revenues	28,936,031	27,232,525	1,703,506	6%

All revenues are coming from the segment of advanced materials, plastics and composite products, except for \$21,930 of other revenues [Q1-2023 – Nil] from the segment battery cells.

Revenues from customers increased from \$27,147,167 in Q1-2023 to \$28,706,752 in Q1-2024. This increase is mainly due to a positive product mix including graphene enhanced products, higher volume, a positive FX impact and price increases partially offset by lower tooling revenues.

Other income increased from \$85,358 in Q1-2023 to \$229,279 in Q1-2024. The variation is due to grants received for R&D programs.

Adjusted EBITDA

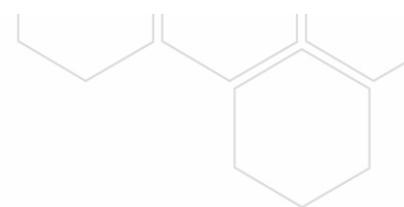
1) From Advanced materials, plastics and composite products

The adjusted EBITDA improved from -\$1,977,032 in Q1-2023 to \$170,654 in Q1-2024. The variation is explained as follows:

- Gross margin on revenues from customers increased by \$2,499,095 compared to Q1-2023 due to higher sales as described above, favourable product mix, improved productivity and cost control; and
- Partially offset by higher administrative expenses (SG&A and R&D) of \$513,400 mainly due to additional headcounts and higher wages, including higher accrued variable compensation.

2) From Battery cells

The adjusted EBITDA passed from nil in Q1-2023 to -\$618,986 in Q1-2024. The variation is explained by the administrative expenses (G&A and R&D) of \$640,916 from this new segment.



Loss

The loss decreased from \$5,924,072 in Q1-2023 to \$3,726,078 in Q1-2024. The variation is mainly explained as follows:

- An increase in adjusted EBITDA of \$1,528,700 as explained above;
- Foreign exchange loss of \$572,596 in Q1-2024 compared to \$1,614,040 in Q1-2023;
- Share loss of a joint venture of \$311,430 in Q1-2023 compared to nil in Q1-2024 as VoltaXplore is now consolidated in the Corporation's result;
- Partially offset by:
 - Higher depreciation and amortization of \$676,994 due mainly to the acquisition of VoltaXplore.

Foreign exchange

	Q1-2024	Q1-2023	Variation	
	\$	\$	\$	%
Foreign exchange from operations	(338,509)	(952,178)	613,669	(64%)
Foreign exchange on derivative contracts	911,105	2,566,218	(1,655,113)	64%
Total foreign exchange	572,596	1,614,040	(1,041,444)	65%

The Corporation had a positive impact on foreign exchange from operations of \$338,509 in Q1-2024 compared to \$952,178 in Q1-2023. This is due to fluctuation of the US rate at the end of each quarter.

The foreign exchange on derivative contracts is a non-realized loss of \$911,105 in Q1-2024 compared to \$2,566,218 in Q1-2023. The variation is due to the fluctuation of the US rate between the quarters and the level of coverage.

FINANCIAL OUTLOOK

The Corporation expects total revenues of \$130 million for the year ending June 30, 2024.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the eight most recently reported quarters. This unaudited quarterly information has been prepared in accordance with IFRS.

		Revenues	Loss	Basic and diluted	
		\$	\$	loss per share	
				\$	
Q1-2024	September 30, 2023	28,936,031	(3,726,078)	(0.02)	Note 1
Q4-2023	June 30, 2023	33,318,964	(2,003,549)	(0.01)	Note 2
Q3-2023	March 31, 2023	31,580,560	(2,447,604)	(0.01)	
Q2-2023	December 31, 2022	31,725,122	(2,422,949)	(0.01)	Note 3
Q1-2023	September 30, 2022	27,232,525	(5,924,072)	(0.04)	Note 4
Q4-2022	June 30, 2022	28,280,476	(2,708,675)	(0.02)	Note 5
Q3-2022	March 31, 2022	28,406,750	(4,516,108)	(0.03)	Note 6
Q2-2022	December 31, 2021	18,801,487	(3,585,180)	(0.02)	

Note 1 The revenues were lower due to lower volume. Loss is higher mainly due to lower revenues and a negative impact of foreign exchange on derivative contracts.

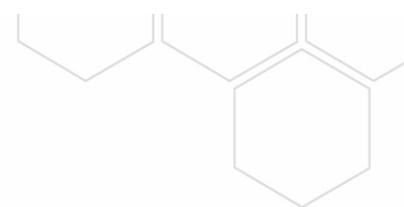
Note 2 The revenues were higher due to positive product mix, including graphene enhanced product, and higher volume.

Note 3 The revenues were higher due to higher volume and price increases. Loss was lower due to higher margins and positive foreign exchange on derivative contracts.

Note 4 The loss was higher due to a negative impact of foreign exchange on derivative contracts, lower margin and higher administrative expenses.

Note 5 The loss was lower due to positive product mix, improved productivity and cost control.

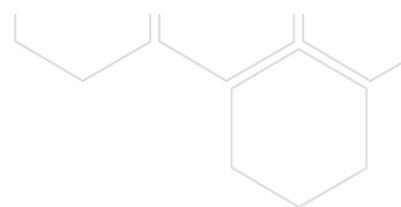
Note 6 Higher revenues are mainly explained by positive product mix including graphene enhanced product, the acquisition of Canuck, price increase and new sales program.



4. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

CONSOLIDATED FINANCIAL POSITION

	As at September 30, 2023 \$	As at June 30, 2023 \$	Variation \$	Main reasons for significant variation
Assets				
Cash and cash equivalents	28,933,670	36,210,495	(7,276,825)	Refer to section Cash Flows
Accounts receivable and Contract asset	21,239,671	20,605,741	633,930	
Inventory	16,552,502	17,280,115	(727,613)	
Right-of-use assets	8,571,187	8,997,822	(426,635)	
Property, plant and equipment, and equipment deposits	63,675,441	62,624,257	1,051,184	Additions mainly related to composite equipment
Intangible assets	14,244,395	14,522,038	(277,643)	
Goodwill	1,919,673	1,919,673	—	
Other assets	3,064,581	3,085,662	(21,081)	
Total assets	158,201,120	165,245,803	(7,044,683)	
Liabilities and Shareholders' Equity				
Liabilities				
Accounts payable, accrued liabilities and income taxes payable	17,922,435	19,868,734	(1,946,299)	Timing in cash payment
Contract liability	843,365	1,016,019	(172,654)	
Operating loans	1,182,880	1,478,300	(295,420)	
Defined benefit liabilities	543,431	572,463	(29,032)	
Lease liability	14,578,416	15,218,803	(640,387)	
Long-term debt	7,498,468	7,875,888	(377,420)	
Deferred taxes liabilities	2,843,403	2,939,526	(96,123)	
Total liabilities	45,412,398	48,969,733	(3,557,335)	
Shareholders' Equity				
Share capital	180,308,703	180,308,703	—	
Reserve	5,301,724	4,999,662	302,062	
Foreign currency translation reserve	(60,083)	34,552	(94,635)	
Deficit	(72,761,622)	(69,066,847)	(3,694,775)	
Total shareholders' equity	112,788,722	116,276,070	(3,487,348)	
Total liabilities and shareholders' equity	158,201,120	165,245,803	(7,044,683)	



CASH FLOWS

	Q1-2024 \$	Q1-2023 \$	Variation \$	%
Cash used in operating activities prior to changes in non-cash working capital items	(104,344)	(1,550,221)	1,445,877	93%
Changes in non-cash working capital items	(2,736,449)	(2,580,502)	(155,947)	(6%)
Operating activities	(2,840,793)	(4,130,723)	1,289,930	31%
Financing activities	(1,592,453)	85,312	(1,677,765)	(1,967%)
Investing activities	(2,845,644)	(4,433,538)	1,587,894	36%
Net effect of currency exchange rate on cash and cash equivalents	2,065	21,786	(19,721)	(91%)
Net change in cash and cash equivalents	(7,276,825)	(8,457,163)	1,180,338	14%

Operating activities

Cash flows used in operating activities prior to changes in non-cash working capital items were \$104,344 in Q1-2024 compared to \$1,550,221 in Q1-2023. The variation is mainly explained by an improvement of the adjusted EBITDA of \$1,528,700.

Changes in non-cash working capital items amounted to -\$2,736,449 in Q1-2024, which is explained as follows:

- A decrease of accounts payable and accrued liabilities of \$2,757,967 mainly due to payment of variable compensation and timing in vendor payments;
- An increase in accounts receivable and contract asset of \$633,930 mainly due to timing in cash receipts; and
- A decrease in inventory of \$732,454 mainly due to improvements in inventory management.

Financing activities

Cash flows used in financing activities were \$1,592,453 in Q1-2024 compared to cash flows generated of \$85,312 in Q1-2023. In Q1-2024, the operating loans decreased by \$295,720 and repayment of \$1,296,733 was completed on long-term debt and lease liability.

In Q1-2023, the operating loans increased by \$1,200,000 and stock options were exercised for proceeds of \$158,400. These were offset by an \$1,273,088 repayment on long-term debt and lease liability.

Investing activities

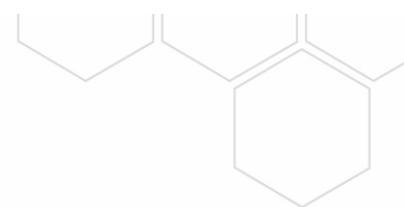
Cash flows used in investing activities were \$2,845,644 in Q1-2024 compared to \$4,433,538 in Q1-2023. In Q1-2024, the Corporation paid \$2,874,244 for capital expenditures, mainly related to additions of composite equipment.

In Q1-2023, the Corporation paid \$4,433,538 for capital expenditures, mainly related to the acquisition of the assets of XG Sciences.

USE OF PROCEEDS

Use of Proceeds Reconciliation of February 2022

On February 24, 2022, the Corporation raised gross proceeds of \$30,001,200 by issuing a total of 6,522,000 Common Shares pursuant to a short form prospectus offering (the "February 2022 Offering"). The net proceeds of the February 2022 Offering were \$27,996,232, after deduction of underwriters' fees and other expenses.



The net proceeds of the February 2022 Offering are expected to be used by the Corporation within 24 months following the closing of the February 2022 Offering, as follows.

	Use of proceeds as described in the Short Form Prospectus dated February 24, 2022	Revised estimate of the use of proceeds as of the date hereof
Acquisition of assets or companies, partnerships and General corporate purposes	27,996,232	27,996,232
Total	27,996,232	27,996,232

The Corporation had negative cash flows from operating activities prior to changes in non-cash working capital items for the year ended June 30, 2023 and for the three-month period ended September 30, 2023. The Corporation cannot guarantee if it will have positive or negative cash flow from operating activities in future periods. To the extent that the Corporation has negative cash flows in any future period, certain of the proceeds from the February 2022 Offering or future offerings may be used to fund such negative cash flows from operating activities.

LIQUIDITY AND CAPITAL RESOURCES

Throughout the COVID-19 pandemic, the Corporation has taken controlled and measured actions to preserve liquidity, including flexing and reducing its cost base, eliminating discretionary spending across its global footprint and delaying capital spending where and when appropriate. As at September 30, 2023, the Corporation had total liquidity of \$39,581,390, including cash and cash equivalents and availability under the Corporation's operating loans.

Management believes that the Corporation has sufficient funds to meet its obligations, operating expenses and some development expenditures for the ensuing 12 months as they fall due. The Corporation's ability to continue its development activities is dependent on the impact of COVID-19, supply chain issues and the speed of introduction of graphene products into different industries. Although advanced materials, plastics and composites products segment have generated revenues, the graphene commercial activity is still in the commercial introduction stage and, as a result, the Corporation could be dependent on external financing to fund its continued development program, if the commercial introduction of the graphene is delayed. However, regarding battery cells segment, the Corporation is dependent on external financing before it can build the production facility and commercialize its products. Discussions to secure financing are progressing well and we expect to complete the financing by December 2023. The Corporation's main sources of funding have been the issuance of equity securities for cash, debt, cash flow from operations and funds from the government of Quebec with respect to R&D tax credits and other programs.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company did not have any off-balance sheet arrangements, except for the commitment disclosed in the unaudited condensed interim consolidated financial statements for the three-month periods ended September 30, 2023 and 2022.

Management believes that the Company will be able to meet its obligations with cash on hand, cash flows from operations and drawdowns under existing credit facilities.

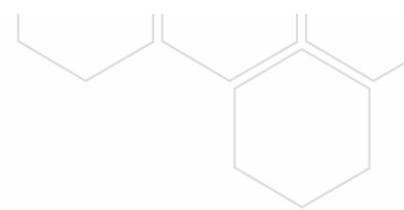
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

For a detailed description of the financial instruments and risk management associated with the Corporation and its activities, please refer to the consolidated financial statements for the years ended June 30, 2023 and 2022. These identified financial instruments and risks are consistent through the periods.

OUTSTANDING SHARES

As at November 6, 2023, the Corporation has:

- 169,378,431 common shares issued and outstanding;
- 3,175,000 options outstanding with expiry dates ranging between December 19, 2023 and September 20, 2028 with exercise prices between \$1.22 and \$6.44. If all the options were exercised, 3,175,000 shares would be issued for cash proceeds of \$7,870,750.



5. RELATED PARTY TRANSACTIONS

For a detailed description of all related party transactions, please refer to the note 7 "Related party transactions" in the unaudited condensed interim consolidated financial statements for the three-month periods ended September 30, 2023 and 2022.

6. RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, technology and manufacturing. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

For a detailed description of risks and uncertainties, refer to the management's discussion and analysis for the years ended June 30, 2023 and 2022.

7. ACCOUNTING POLICIES

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and judgments about the future. Management periodically reviews these estimates, which are based on historical experience, changes in the business environment and other factors, including expectations of future events, that management considers reasonable under the circumstances. The estimates involve judgments we make based on the information available. However, accounting estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Corporation based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market events or to circumstances beyond the Corporation's control. Such changes are reflected in the assumptions when they occur. This discussion addresses only those estimates that we consider important based on the degree of uncertainty and the likelihood of a material impact if we had used different estimates. There are many other areas in which we use estimates about uncertain matters.

For a detailed description of the critical accounting judgments and estimates associated with the Corporation and its activities, please refer to the section "Significant management estimates and judgments in applying accounting policies" in the note 2 in the consolidated financial statements for the years ended June 30, 2023 and 2022. The Corporation was not required to make significant judgments, estimates and assumptions in areas other than those mentioned in the consolidated financial statements for the years ended June 30, 2023 and 2022.

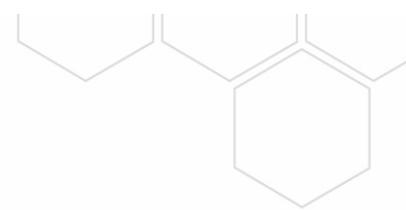
FUTURE CHANGES IN ACCOUNTING POLICIES

Certain standards and amendments to existing standards have been published, and their adoption is mandatory for future accounting periods. Refer to the note 3 in the consolidated financial statements for the years ended June 30, 2023 and 2022 and to the note 2 in the unaudited condensed interim consolidated financial statements for the three-month periods ended September 30, 2023 and 2022 for the details of these standards and amendments.

8. CONTROLS AND PROCEDURES

In accordance with National Instrument 52-109 of the Canadian Securities Authorities, the Corporation has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, attest to the design of the disclosure controls and procedures ("DC&P") and the design and effectiveness of internal controls over financial reporting.

No changes were made to the Corporation's internal controls over financial reporting during Q1-2024 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.



Limitation on Scope of Design

The scope of design of internal controls over financial reporting and DC&P excluded the controls, policies, and procedures of VoltaXplore, which was acquired on March 24, 2023. VoltaXplore's contributions to the Corporation's consolidated statements of loss and comprehensive loss for the three-month period ended September 30, 2023 was 0% of total revenues. Additionally, as at September 30, 2023, VoltaXplore's assets and liabilities represented approximately 6% and 4%, respectively, of the Corporation's consolidated assets and liabilities. The amounts recognized for the net assets acquired as at the date of this acquisition are described in Note 3a of the unaudited condensed interim consolidated financial statements for the three-month periods ended September 30, 2023 and 2022.