Dundee Sustainable Technologies Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)

As at and for the nine months ended September 30, 2023.
(Expressed in Canadian dollars)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The attached interim condensed consolidated financial statements have been prepared by management of Dundee Sustainable Technologies and have not been reviewed by an external auditor.

The Corporation's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Dundee Sustainable Technologies Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	As at September 30, 2023	As at December 31, 2022
		$	$
Assets			
Current assets			
Cash and cash equivalents		887,471	511,691
Accounts receivable	4	1,527,100	612,212
R&D tax credit receivable		-	111,000
Other assets		68,424	98,271
Prepaid expenses		22,316	24,796
		2,505,311	1,357,970
Non-current assets			
Investment in associate	5	75,000	-
Property, plant and equipment	6	168,016	690,582
Intangible assets	7	2,306,910	2,652,942
		2,549,926	3,343,524
Total assets		**5,055,237**	**4,701,494**
Liabilities and Deficiency			
Current liabilities			
Accounts payable and accrued liabilities		1,226,389	1,010,206
Sales tax payable		105,754	58,530
Contract liabilities		10,447	19,381
Current portion of lease liability	6	33,925	135,291
Current portion of long-term debts	9	333,578	327,921
Promissory note from a related party	8	-	2,119,877
Loan from a related party	8	-	10,116,538
Convertible debenture	9	-	4,588,245
		1,716,093	18,375,989
Non-current liabilities			
Lease liability	6	174,528	739,143
Promissory note from a related party	8	4,061,111	-
Loan from a related party	8	10,232,920	-
Convertible debenture	9	4,546,369	-
Long-term debts	9	647,560	814,045
Total liabilities		21,372,581	19,929,177
Deficiency			
Share capital	10	68,907,882	68,907,882
Contributed surplus	11	9,402,047	9,402,047
Deficit		(94,627,273)	(93,537,612)
Total deficiency		(16,317,344)	(15,227,683)
Total liabilities and deficiency		**5,055,237**	**4,701,494**
Going concern	1		

The accompanying notes are an integral part of these consolidated financial statements.

Dundee Sustainable Technologies Inc.

Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2023 and 2022
(Expressed in Canadian dollars, except number of shares)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2023**	**2022**	**2023**	**2022**
		$	$	$	$
Sale of services		1,121,486	987,307	2,879,437	3,051,304
Expenses					
Operating expenses related to services		871,235	642,406	2,324,130	2,311,043
Research and development, net of credits	13	247,618	385,014	738,148	753,946
Professional and consulting fees		86,708	64,179	627,690	230,670
Administrative		84,241	71,937	230,517	256,912
Wages and compensation		109,535	108,846	385,530	367,838
Shareholder communication		18,359	15,941	69,350	76,830
Share-based payments		-	101,775	-	101,775
Depreciation of property, plant and equipment		6,860	6,859	20,579	20,579
Amortization of intangible assets		115,341	115,345	346,032	346,036
Total expenses		1,539,897	1,512,302	4,741,976	4,465,629
Operating (loss)income		(418,411)	(524,995)	(1,862,539)	(1,414,325)
Other income		991,750	67,712	991,750	76,068
Finance income	8,9	1,570,005	13,654	1,627,702	33,211
Finance cost	8,9	(653,047)	(504,291)	(1,838,879)	(1,441,288)
(Loss) gain on foreign currency exchange		23,997	28,978	(7,695)	45,709
Net loss and comprehensive loss		**1,514,294**	**(918,942)**	**(1,089,661)**	**(2,700,625)**
Basic and diluted net loss per share		0.02	(0.01)	(0.02)	(0.04)
Weighted average number of shares outstanding – basic and diluted		66,695,774	66,695,774	66,695,774	65,946,283

The accompanying notes are an integral part of these consolidated financial statements.

Dundee Sustainable Technologies Inc.

Consolidated Statements of Changes in Deficiency

For the nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars, except number of shares)

		Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
	Note	Number	$	Number	$	$	$	$
Balance – December 31, 2022	10	**2,500,000**	**3,963,875**	**64,195,774**	**64,944,007**	**9,402,047**	**(93,537,612)**	**(15,227,683)**
Net loss and comprehensive loss for the period		-	-	-	-	-	(1,089,661)	(1,089,661)
Balance – September 30, 2023		**2,500,000**	**3,963,875**	**64,195,774**	**64,944,007**	**9,402,047**	**(94,627,273)**	**(16,317,344)**

		Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
	Note	Number	$	Number	$	$	$	$
Balance – December 31, 2021	10	**2,500,000**	**3,963,875**	**60,667,997**	**64,570,062**	**9,039,217**	**(89,762,685)**	**(12,189,531)**
Issuance of shares	10	-	-	3,527,777	635,000	-	-	635,000
Fair value warrants issuance					(261,055)	261,055	-	-
Shar-based payments		-	-	-	-	101,775	-	101,775
Net and comprehensive loss for the period		-	-	-	-	-	(2,700,625)	(2,700,625)
Balance – September 30, 2022		**2,500,000**	**3,963,875**	**64,197,774**	**64,944,007**	**9,402,047**	**(92,463,310)**	**(14,153,381)**

The accompanying notes are an integral part of these consolidated financial statements.

Dundee Sustainable Technologies Inc.
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2023 and 2022
(Expressed in Canadian dollars)

	Note	2023	2022
		$	$
Operating activities			
Net loss for the period		(1,089,661)	(2,700,625)
Adjusted for:			
Depreciation of property, plant and equipment	6	20,579	20,579
Depreciation of property, plant and equipment included in research and development	6	69,752	91,364
Lease modification		(148,266)	-
Amortization of intangible assets	7	346,032	346,036
Gain on disposal of assets		(846,500)	-
Debt discounts	8	(1,673,533)	(100,924)
Amortization of debt discounts	8,9	594,466	387,581
Finance cost accrued	8,9	1,161,089	950,516
		(1,566,042)	(903,698)
Changes in non-cash operating working capital items:			
Accounts receivable		(394,638)	(256,822)
R&D tax credit receivable		(111,000)	38,224
Sales tax receivable/payable		47,224	2,933
Other assets		29,847	16,843
Prepaid expenses		2,480	3,444
Accounts payable and accrued liabilities		216,183	(24,562)
Contract liabilities		(8,934)	(236,436)
		3,162	(456,376)
Net cash used in operating activities		**(1,562,880)**	**(1,360,074)**
Investing activities			
Proceeds from sales of assets		326,250	-
Investment in associate	5	(75,000)	-
Net cash provided by investing activities		**251,250**	**-**
Financing activities			
Principal elements of lease payments	6	(85,480)	(92,269)
Long-term loan		-	359,956
Long-term debts payment	9	(227,110)	(42,534)
Issuance of shares		-	635,000
Promissory note from a related party		2,000,000	950,000
Convertible debenture payment			(100,000)
Net cash provided by financing activities		**1,687,410**	**1,710,153**
Net change in cash and cash equivalents during the period		375,780	350,079
Cash and cash equivalents – beginning of period		511,691	457,716
Cash and cash equivalents – end of period		**887,471**	**807,795**
Supplemental information	14		

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Dundee Sustainable Technologies Inc. ("DST" or the "Corporation") was incorporated under the *Canada Business Corporations Act* on July 22, 1997. The Corporation's head office is located at 2000 Peel Street, Suite 860, Montréal, Quebec, Canada, H3A 2W5. As of October 1, 2023, the Corporation relocated its head office at 3700 Rue du Lac Noir, Thetford Mines, Quebec, Canada, G6H 1S9.

The Corporation is commercializing two primary metallurgical processes for the treatment of complex and refractory material from mining operations. DST's processes are applied for the extraction of precious metals and for the removal and stabilization of contaminants, such as arsenic, antimony, and cadmium from ores and concentrates.

While these technologies are currently being commercialized, they are subject to all the risks inherent in their ongoing adaptation to potential customers' specifications and adoption. They may require significant additional development, testing and investment prior to any final acceptance by the market. There can be no assurance that such technologies will be successfully developed, or that output from any use of the Corporation's technologies could be produced at a commercial level at a reasonable cost or be successfully marketed. To date, the Corporation has not earned significant revenues from its patented technologies. At September 30, 2023, Dundee Corporation ("Dundee") was the principal and majority shareholder of the Corporation.

For the nine months ended September 30, 2023, the Corporation incurred a loss of $1,089,661 (2022 – $2,700,625) and has a working capital of $795,218 (2022 – negative working capital of $17,018,019). Deficit as at September 30, 2023 amounted to $94,627,273 (2022 – $93,537,612) and cash flows used in operating activities for the nine months ended September 30, 2023 amounted to $1,562,880 (2022 – $1,360,074).

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to September 30, 2024. The Corporation will therefore have to raise additional funds to continue operations and pay or renegotiate its debts. The Corporation is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Corporation will be successful in these actions, management believes that the Corporation will be able to secure the necessary financing through the issuance of debt or new equity in public or privately negotiated equity offerings. While it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

Although these consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Corporation's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

On November 7, 2024, these consolidated financial statements were approved by the Board of Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are described below.

(Expressed in Canadian dollars)

Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2022 which were prepared in accordance with IFRS as issued by the IASB.

The condensed interim consolidated financial statements follow the same accounting principles and methods of application as those disclosed in Note 2 to the audited consolidated financial statements as at and for the year ended December 31, 2022.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim consolidated financial statements for the six months ended September 30, 2023 are made in accordance with IFRS requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, and items in net earnings or loss, and the related disclosure of contingent assets and liabilities, if any. The Corporation evaluates its estimates on an ongoing basis.

Such estimates are based on various assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes in accounting judgments, estimates and assumptions made by the Corporation in the preparation of these condensed interim consolidated financial statements from those judgments, estimates and assumptions disclosed in note 3 to the audited consolidated financial statements as at and for the year ended December 31, 2022.

4. ACCOUNTS RECEIVABLE

Technical services receivable are generated from customers to evaluate processing alternatives using the Corporation's processing facility.

	As at September 30, 2023	**As at December 31, 2022**
	$	$
Technical services	1,006,850	612,212
Other receivables	520,250	-
	1,006,850	**612,212**

(Expressed in Canadian dollars)

5. INVESTMENT IN ASSOCIATE

In July 2023, The Corporation entered into a joint venture with a newly created company called Enim Technologies Inc. (“Enim”). Enim aimed at the processing development, pilot operation and technology deployment for the treatment of electronic waste material (“e-waste”). The objective is to provide a novel e-waste treatment circuit which incorporates DST’s CLEVR Process™ for the recovery of gold, silver and palladium. The construction and operation of the e-waste pilot plant will be located in Thetford Mines at DST’s technical facilities. As part of its participation, DST subscribed 75,000 Class A shares, for an amount of $75,000 in cash in return for a 25% equity stake in the newly created company.

6. PROPERTY, PLANT AND EQUIPMENT

	Vehicles and equipment	Right of use asset	Total
Gross carrying amount	$	$	$
Balance – January 1, 2023	47,000	1,296,521	1,343,521
Lease termination	-	(687,426)	(687,426)
ROU remeasurement	-	(432,236)	(432,236)
Balance – September 30, 2023	47,000	176,859	223,859
Accumulated depreciation			
Balance – January 1, 2023	47,000	605,939	652,939
Lease termination	-	(687,426)	(687,426)
Depreciation	-	90,330	90,330
Balance – September 30, 2023	47,000	8,843	55,843
Net carrying amount – September 30, 2023	**-**	**168,016**	**168,016**
Net carrying amount – December 31, 2022	**-**	**690,582**	**690,582**

Leases

The Corporation recognized a ROU asset and its related lease liability in connection with the demonstration plant facilities. The ROU asset is depreciated on a straight-line basis over the term of the lease, which is expected to mature in July 2028. As is common for such leases, the Corporation pays to the landlord its share of common costs that are expensed as incurred.

Lease liability	**Nine months ended September 30,**	
	2023	2022
		$
Balance – beginning of the period	874,434	999,805
Lease modification	(580,501)	-
Principal portion of lease payments	(85,480)	(92,269)
Balance – end of the period	**208,453**	**907,536**
Current lease liability	33,925	139,159
Non-current lease liability	174,528	768,377

(Expressed in Canadian dollars)

The consolidated statement of loss and comprehensive loss shows the following amounts relating to leases for the nine months ended September 30, 2023:

	Nine months ended September 30,	
	2023	2022
	$	$
Depreciation ROU asset	20,579	20,579
Depreciation ROU asset included in research and development	69,752	91,364
Interest expense included in finance cost	56,598	84,214

7. INTANGIBLE ASSETS

Intangible assets	**Nine months ended September 30,**	
Gross carrying amount	2023	2022
Balance – January 1 and September 30:	$	$
Intellectual properties	605,000	605,000
Patent application fees	129,474	129,474
Development cost	5,809,233	5,809,233
Less: SR&ED tax credit	(1,929,894)	(1,929,894)
	4,613,813	4,613,813
Accumulated amortization		
Balance – January 1	1,960,871	1,499,489
Amortization	346,032	346,036
Balance – September 30	2,306,903	1,845,525
Net carrying amount – September 30	**2,306,910**	**2,768,288**

8. PROMISSORY NOTES AND LOANS FROM A RELATED PARTY

8.1 Promissory notes

The Corporation signed five promissory notes in the total principal amount of $3,950,000, payable to a wholly owned subsidiary of Dundee. In the case of the last two promissory notes signed on August 3, 2022, and January 12, 2023, the notes were secured by a hypothec over all of the Corporation’s intellectual property. The promissory notes had a maturity date of July 13, 2023, along with interest at a rate of 8% per annum. During the third quarter of 2023, the Corporation obtained an approval to extend the maturity date of its promissory notes from the original maturity date to May 15, 2025 with all the other term conditions remaining unchanged. As at September 30, 2023, the principal amount of the promissory note totaled $3,950,000 (2022 – $1,950,000) and the finance cost accrued during the nine months ended September 30, 2023 amounted to $248,482 ($98,360 for the nine months ended September 30, 2022). After the renewal of the maturity date, the fair value of the promissory notes and accrued interests were estimated at $3,949,597, using an effective rate of 13%, corresponding to a rate that the Corporation would have obtained for a similar financing with a third party. The discounted amount was recognized as finance income in the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian dollars)

Promissory notes	**Nine months ended September 30,**	
	2023	**2022**
	$	$
Balance – beginning of period	2,119,877	1,015,640
Principal amount advanced	2,000,000	950,000
Finance cost accrued	248,482	98,360
Promissory note discounted at fair value	(435,045)	(33,210)
Amortization of promissory note discount	127,797	31,900
Balance – end of period	**4,061,111**	**2,062,690**

8.2 Loan from a related party

The Corporation held 2 short-term loans, from a wholly owned subsidiary of Dundee, bearing interest at the rate of 12.68% per annum and secured by a hypothec, pari passu with Investissement Québec's ("IQ") convertible debenture and Canada Economic Development for Quebec Regions' (CED) contribution, over all of the Corporation's property other than its intellectual property.

On July 31, 2020, the Corporation entered into a debt settlement agreement with respect to its short-term debt to convert a total of $5,940,384 of its debt into subordinate voting shares. As part of the debt settlement agreement, the remaining portion of the debt owed to Dundee by the Corporation, totaling an amount of $8,484,534, was consolidated with the reduction of the interest from 12.68% to 8% per year, as well as the extension of the maturity date to July 13, 2023. The fair value of the loan was estimated at $7,781,253 using an effective rate of 11% corresponding to a rate that the Corporation would have obtained for a similar financing with a third party. The discounted amount of $703,281 was recognized as finance income in the consolidated statement of loss and comprehensive loss during that year. During the third quarter of 2023, the Corporation obtained an approval to extend the maturity date of its loan from the original maturity date to May 15, 2025 with all the other term conditions remaining unchanged. After the renewal of the maturity date, the fair value of the loan and accrued interests were estimated at $9,951,909, using an effective rate of 13%, corresponding to a rate that the Corporation would have obtained for a similar financing with a third party. The discounted amount was recognized as finance income in the consolidated statement of loss and comprehensive loss.

As at September 30, 2023, the principal amount of the loan totaled $8,484,534 (2022 – $8,484,534) and the finance cost accrued during the nine months ended September 30, 2023 amounted to $627,192 ($579,428 for the nine months ended September 30, 2022).

Short-term loans	**Nine months ended September 30,**	
	2023	**2022**
	$	$
Balance – beginning of period	10,116,538	9,076,175
Finance cost accrued	627,192	579,428
Loan discounted at fair value	(765,840)	-
Amortization of promissory note discount	255,030	188,001
Balance – end of period	**10,232,920**	**9,843,604**

(Expressed in Canadian dollars)

9 CONVERTIBLE DEBENTURE AND LOANS

9.1 Convertible debenture

On July 31, 2020, the Corporation entered into a secured convertible loan agreement in the amount of $4,000,000 (the "IQ Loan") with Investissement Québec ("IQ"). The IQ Loan has a maturity date of July 13, 2023, bears interest at a rate of 8% per annum and can be converted at the holder's option into subordinate voting shares of the Corporation at a conversion price equal to the closing market price of the shares on the day prior to conversion. The IQ Loan is secured by a hypothec, *pari passu* with Dundee's loan and CED's contribution, over all of the Corporation's property other than its intellectual property and is guaranteed by Dundee in an amount of up to $1,250,000. The fair value of the debt was estimated as $3,673,442 using an effective rate of 11% corresponding to a rate that the Corporation would have obtained for a similar non-subsidized financing. The discounted amount of $326,558 was recognized as finance income in the consolidated statement of loss and comprehensive loss. Pursuant to the agreement, the Corporation made a partial payment to the capital in the amount of $50,000 in 2021 and $100,000 in 2022. During the third quarter of 2023, the Corporation obtained an approval to extend the maturity date of the convertible debenture from the original maturity date to May 15, 2025 with all the other term conditions remaining unchanged. After the renewal of the maturity date, the fair value of the loan and accrued interests were estimated at $4,460,545, using an effective rate of 13%, corresponding to a rate that the Corporation would have obtained for a similar financing with a third party. The discounted amount was recognized as finance income in the consolidated statement of loss and comprehensive loss.

During the nine months ended September 30, 2023, the Corporation capitalized interest expense of $285,967 ($270,016 for the nine months ended September 30 2022).

	Nine months ended September 30,	
	2023	**2022**
	$	$
Carrying amount of the liability – beginning of period	4,588,245	4,183,847
Finance costs accrued	285,967	270,016
Payment	-	(100,000)
IQ discounted at fair value	(426,199)	-
Cash issuance cost	(46,450)	-
Amortization of convertible debenture discount	144,806	105,262
Carrying amount of the liability – end of period	**4,546,369**	**4,459,125**

9.2 Long-term IQ Innovation loan

On July 15, 2020, the Corporation received a loan offer from IQ for a total amount of $1,107,500. The loan has been granted under IQ's Support for Innovation Program and will be used by the Corporation to apply against business development expenses (the "IQ Innovation Loan"). IQ advanced $428,100 on December 14, 2020, $296,806 on August 9, 2021, and $359,956 on June 6, 2022. The fair value of the advances were estimated at $316,662, $229,144 and $292,243 respectively, using an effective rate of 11% corresponding to a rate that the Corporation would have obtained for a similar non-subsidized financing.

The IQ Innovation Loan will mature six years after the initial disbursement and will bear interest at a rate of 3.04% per annum. The Corporation benefits from a 24-month moratorium period on the repayment of capital since the first disbursement, after which, the capital will be reimbursed in 48 monthly installments. The IQ Innovation Loan is secured by a second-degree hypothec over all of the Corporation's property other than the intellectual property. The finance cost paid during the nine months ended September 30, 2023, amounted to $20,310 ($17,280 for the nine months ended September 30, 2022).

(Expressed in Canadian dollars)

	Nine months ended September 30,	
	2023	**2022**
	$	$
Carrying amount of the liability – beginning of period	930,688	576,806
Principal amount advanced	-	359,956
Loan discounted at fair value	-	(67,713)
Finance cost accrued	(552)	2,711
Principal amount paid	(184,576)	-
Amortization of discount	49,251	42,094
Carrying amount of the liability – end of period	**794,811**	**913,854**

9.3 Long-term CED contribution agreement

Under an amended agreement dated October 12, 2016, the Corporation received from Canada Economic Development for Quebec Regions ("CED") a $397,000 repayable contribution (the "CED Contribution"). The CED Contribution was used by the Corporation for the acquisition of equipment for its demonstration plant (the "Project") in Thetford Mines, Quebec. The CED Contribution is non-interest bearing, secured, and repayable in equal monthly installments over seven years starting three years after the end of the Project on March 2020. CED advanced $324,575 in December 2016 and the remaining balance of $72,425 in May 2017.

The fair values of the debt advanced in December 2016 and May 2017 were respectively estimated at $149,944 and $35,495 using an effective rate of 11.7%. Such rate corresponds to a rate that the Corporation would have obtained for a similar non-subsidized financing.

The CED Contribution is secured by a hypothec, pari passu with Dundee's and IQ's loans, over all of the Corporation's property other than its intellectual property.

	Nine months ended September 30,	
	2023	**2022**
	$	$
Balance – beginning of period	211,278	241,333
Payments	(42,534)	(42,534)
Amortization of long-term debt discount	17,582	20,324
Balance – end of period	**186,326**	**219,123**
Current portion	56,714	56,714
Non-current portion	129,612	162,049
Total	**186,326**	**219,123**

(Expressed in Canadian dollars)

10. SHARE CAPITAL

10.1 Authorized

On September 30, 2023 and December 31, 2022, the authorized capital of the Corporation consisted of an unlimited number of subordinate voting shares and multiple voting shares, without nominal or par value. The holders of subordinate voting shares are entitled to one vote for each subordinate voting share, and the holders of multiple voting shares are entitled to 10 votes for each multiple voting share. The holders of subordinate voting shares and multiple voting shares shall be entitled to receive and to participate equally as to dividends, share for share, in an equal amount on all the subordinate voting shares and multiple voting shares outstanding at year-end. The holders of multiple voting shares shall be entitled at any time and from time to time to have any or all of the multiple voting shares converted into subordinate voting shares on the basis of one subordinate voting share for each multiple voting share. In all other respects, the holders of subordinate voting shares and multiple voting shares shall rank equally and have the same rights and restrictions.

11 WARRANTS

The changes in the Corporation's outstanding common share purchase warrants are as follows:

				Nine months ended September 30,
		2023		2022
	Number of warrants	Carrying amount	Number of warrants	Carrying amount
		$		$
Balance – beginning of period	3,527,777	261,055	714,285	200,000
Issued	-	-	3,527,777	261,055
Balance – end of period	**3,527,777**	**261,055**	4,242,062	**461,055**

As at September 30, 2023, outstanding warrants are as follows:

Number of warrants	Weighted average exercise price	Expiry date
	$	
3,527,777	0.31	February 28, 2027
3,527,777	**Outstanding**	

(Expressed in Canadian dollars)

12. STOCK OPTION PLAN

The changes in the Corporation's outstanding and exercisable options are as follows:

	Nine months ended September 30,			
	2023		2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Balance – beginning of period	3,952,500	0.43	5,435,000	0.53
Expired	(502,500)	1.01	-	-
Forfeited	-	-	(747,500)	0.80
Balance – end of period	**3,450,000**	**0.35**	**4,687,500**	**0.47**

As at September 30, 2023, outstanding options are as follows:

Number of options	Weighted average exercise price	Expiry date
	$	
3,450,000	0.35	September 29, 2025
3,450,000	**Outstanding**	

The residual weighted average contractual term of outstanding options was 1.48 years as at September 30, 2023.

13. RESEARCH AND DEVELOPMENT

	Nine months ended September 30,	
	2023	2022
	$	$
Research and development	841,627	805,893
Tax credit and other government subsidies	(103,479)	(51,947)
	738,148	**753,946**

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended September 30,	
	2023	2022
	$	$
Finance cost paid	23,926	18,978
Finance cost on lease payments	56,598	84,214