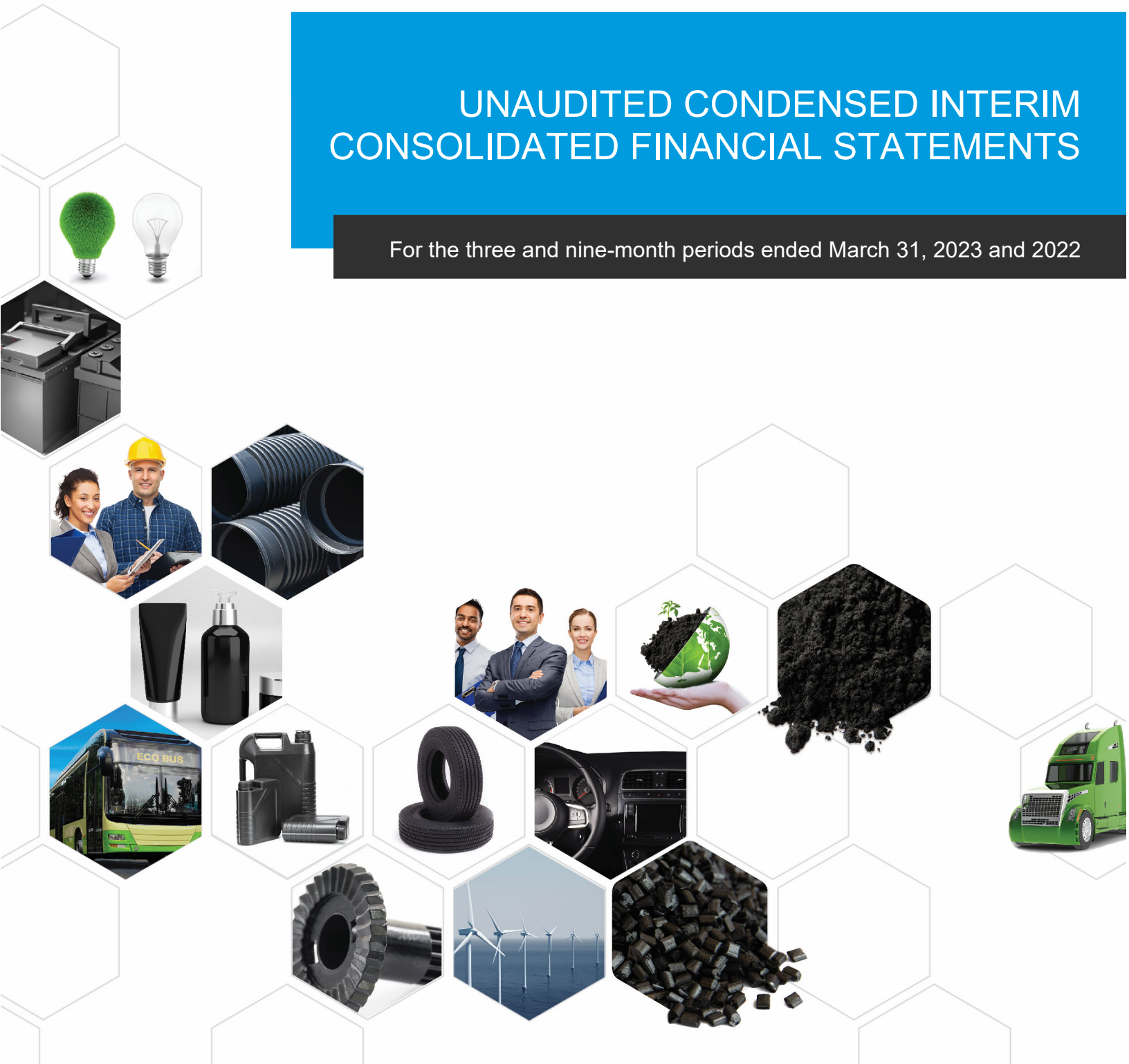
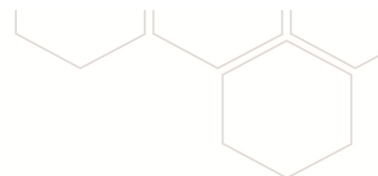


Nano Plore

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine-month periods ended March 31, 2023 and 2022





Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)	As at March 31, 2023 \$	As at June 30, 2022 \$
Assets		
Current assets		
Cash and cash equivalents	37,422,456	51,232,068
Accounts receivable and contract asset	21,887,318	21,077,868
Inventory	17,282,123	17,507,812
Prepaid expenses and other assets	1,663,062	1,132,896
	78,254,959	90,950,644
Non-current assets		
Lease deposits	249,122	182,792
Equipment deposits	328,231	—
Investment in a joint venture [Note 3a]	—	4,238,774
Right-of-use assets [Note 4a]	9,274,972	8,381,031
Property, plant and equipment [Note 4b]	62,696,477	54,329,195
Intangible assets [Note 5]	14,508,750	7,256,340
Goodwill	1,919,673	1,919,673
Total assets	167,232,184	167,258,449
Liabilities and Shareholders' Equity		
Current liabilities		
Operating loans [Note 6]	1,480,400	4,648,900
Accounts payable and accrued liabilities	19,968,383	17,029,869
Contract liability	1,755,669	536,060
Current portion of lease liability [Note 6]	2,791,816	2,490,911
Current portion of long-term debt [Note 6]	4,528,461	3,168,932
	30,524,729	27,874,672
Non-current liabilities		
Balance of purchase price of business acquisition [Note 3c]	—	956,014
Defined benefit liabilities	535,566	296,817
Lease liability [Note 6]	12,998,176	12,742,004
Long-term debt [Note 6]	3,783,836	6,281,882
Deferred tax liabilities	1,653,956	1,575,665
Total liabilities	49,496,263	49,727,054
Shareholders' equity		
Share capital	180,008,203	169,354,272
Reserve	4,820,003	4,185,185
Foreign currency translation reserve	(70,772)	12,070
Deficit	(67,021,513)	(56,020,132)
Total shareholders' equity	117,735,921	117,531,395
Total liabilities and shareholders' equity	167,232,184	167,258,449

See accompanying notes to unaudited condensed interim consolidated financial statements

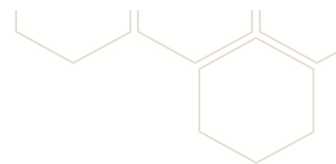
Approved on behalf of the Board of Directors

Soroush Nazarpour

Soroush Nazarpour

Benoit Gascon

Benoit Gascon

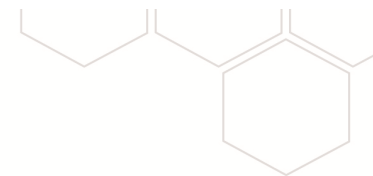


Consolidated Statements of Loss and Comprehensive loss

(Unaudited - Expressed in Canadian dollars)	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenues				
Revenues from customers	31,125,291	27,997,816	89,689,827	64,253,741
Other income	455,269	408,934	848,380	1,772,942
	31,580,560	28,406,750	90,538,207	66,026,683
Cost of Sales and Expenses				
Cost of sales	25,435,816	25,280,807	75,259,751	59,584,004
Research and development expenses	862,958	903,615	2,327,081	2,764,431
Selling, general and administrative expenses	4,870,081	4,589,141	14,451,402	12,416,670
Share-based compensation expenses	247,138	175,592	844,862	527,470
Depreciation (production)	1,474,763	1,385,833	4,338,708	3,718,736
Depreciation (other)	398,678	339,188	1,104,182	1,001,416
Amortization	261,827	125,727	777,149	385,318
Foreign exchange	124,908	(189,108)	1,055,009	(132,474)
	33,676,169	32,610,795	100,158,144	80,265,571
Operating loss	(2,095,609)	(4,204,045)	(9,619,937)	(14,238,888)
Gain on disposal of property, plant and equipment	—	—	—	1,923,352
Interest on operating loans and long-term debt	(183,415)	(157,704)	(634,381)	(476,892)
Interest accretion on lease liability	(156,952)	(161,868)	(461,080)	(426,035)
Interest revenue	424,072	45,013	1,181,727	233,676
Share of loss of a joint venture	(414,384)	(171,807)	(1,059,880)	(403,282)
Loss before income taxes	(2,426,288)	(4,650,411)	(10,593,551)	(13,388,069)
Current income tax recovery (expense)	5,668	4,529	(80,901)	1,584
Deferred income tax recovery (expense)	(26,984)	129,774	(120,173)	554,566
	(21,316)	134,303	(201,074)	556,150
Loss	(2,447,604)	(4,516,108)	(10,794,625)	(12,831,919)
Other comprehensive loss				
<i>Items that may be subsequently reclassified to profit and loss:</i>				
Exchange differences on translation of foreign subsidiaries	16,870	(17,844)	(82,842)	(74,836)
<i>Items that will not be reclassified to profit and loss:</i>				
Retirement benefits – Net actuarial losses (gains)	(49,422)	1,459,365	(206,756)	1,516,649
Total comprehensive loss	(2,480,156)	(3,074,587)	(11,084,223)	(11,390,106)
Loss per share				
Basic and diluted	(0.01)	(0.03)	(0.07)	(0.08)
Weighted average number of common shares outstanding (basic and diluted)	166,047,112	160,977,348	165,690,725	159,025,391

In light of the loss recognized for the periods, stock options were excluded from the calculation of diluted loss per share due to their anti-dilutive effect.

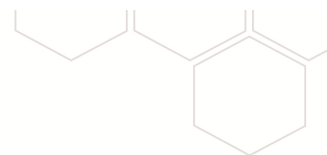
See accompanying notes to unaudited condensed interim consolidated financial statements



Consolidated Statements of Changes in Shareholders' Equity

	Number of common shares	Share capital \$	Reserve \$	Foreign currency translation reserve \$	Deficit \$	Shareholders' equity \$
(Unaudited - Expressed in Canadian dollars)						
Balance as at June 30, 2021	157,930,059	140,067,376	3,880,555	88,173	(41,049,182)	102,986,922
Loss	—	—	—	—	(12,831,919)	(12,831,919)
Other comprehensive income	—	—	—	(74,836)	1,516,649	1,441,813
Comprehensive loss	—	—	—	(74,836)	(11,315,270)	(11,390,106)
Issuance of common shares (net of issuing costs of \$2,004,968)	6,522,000	27,996,232	—	—	—	27,996,232
Exercise of stock options	663,333	1,219,805	(372,056)	—	—	847,749
Share-based compensation	—	—	527,470	—	—	527,470
Balance as at March 31, 2022	165,115,392	169,283,413	4,035,969	13,337	(52,364,452)	120,968,267
Loss	—	—	—	—	(2,708,675)	(2,708,675)
Other comprehensive income	—	—	—	(1,267)	(947,005)	(948,272)
Comprehensive loss	—	—	—	(1,267)	(3,655,680)	(3,656,947)
Exercise of stock options	108,133	70,859	(22,199)	—	—	48,660
Share-based compensation	—	—	171,415	—	—	171,415
Balance as at June 30, 2022	165,223,525	169,354,272	4,185,185	12,070	(56,020,132)	117,531,395
Loss	—	—	—	—	(10,794,625)	(10,794,625)
Other comprehensive loss	—	—	—	(82,842)	(206,756)	(289,598)
Comprehensive loss	—	—	—	(82,842)	(11,001,381)	(11,084,223)
Issuance of common shares (net of issuing costs of \$24,650) [Note 3a]	3,420,406	9,962,936	—	—	—	9,962,936
Exercise of stock options	609,500	690,995	(210,044)	—	—	480,951
Share-based compensation	—	—	844,862	—	—	844,862
Balance as at March 31, 2023	169,253,431	180,008,203	4,820,003	(70,772)	(67,021,513)	117,735,921

See accompanying notes to unaudited condensed interim consolidated financial statements



Consolidated Statements of Cash Flows

	Nine-month periods ended March 31,	
	2023	2022
(Unaudited - Expressed in Canadian dollars)	\$	\$
Cash flows from operating activities		
Loss	(10,794,625)	(12,831,919)
Items not affecting cash:		
Depreciation and amortization	6,220,039	5,105,470
Share-based compensation expenses	844,862	527,470
Share of loss of a joint venture	1,059,880	403,282
Interest accretion on lease liability	461,080	426,035
Interest accretion on long-term debt	86,204	194,213
Other financial expenses	35,165	27,462
Deferred income tax recovery (expense)	120,173	(554,566)
Gain on disposal of property, plant and equipment	—	(1,923,352)
Difference between amounts paid for employee benefits and current period expenses	2,990	40,524
Net change in fair value of foreign exchange derivatives	1,021,578	(106,310)
Unrealized foreign exchange	(461,119)	(202,851)
Changes in non-cash operating working capital items:		
Accounts receivable and contract asset	(456,259)	(2,425,028)
Inventory	420,894	(2,047,172)
Prepaid expenses and other assets	(429,884)	(677,769)
Accounts payable and accrued liabilities	1,421,748	(1,107,681)
Income taxes payable	—	(461,315)
Contract liability	1,199,121	(806,347)
	751,847	(16,419,854)
Cash flows from financing activities		
Issuance of common shares	—	30,001,200
Issuing costs	(24,650)	(2,004,968)
Exercise of stock options	480,951	847,749
Variation of operating loans	(3,300,000)	1,771,175
Issuance of long-term debt	—	1,539,094
Lease incentive received	—	1,253,921
Repayment of lease liability	(2,401,614)	(2,111,416)
Repayment of long-term debt	(1,303,613)	(4,926,462)
	(6,548,926)	26,370,293
Cash flows from investing activities		
Variation of lease deposits	1,578	(122,502)
Business acquisition, net of cash acquired	—	(6,369,094)
Cash acquired in an assets acquisition paid in common shares [Note 3a]	329,823	—
Repayment of balance of purchase price of business acquisition	(1,000,000)	(2,051,304)
Investment in a joint venture	—	(1,000,000)
Advance to a joint venture	(1,000,000)	—
Additions to intangible assets	(1,287,985)	(749,797)
Additions to property, plant and equipment	(4,993,779)	(2,463,317)
Variation of equipment deposits	(91,940)	—
Disposal of property, plant and equipment	—	8,325,052
	(8,042,303)	(4,430,962)
Change in cash and cash equivalents	(13,839,382)	5,519,477
Net effect of currency exchange rate on cash	29,770	11,348
Cash and cash equivalents, beginning of period	51,232,068	50,524,583
Cash and cash equivalents, end of period	37,422,456	56,055,408
Interest on operating loans, long-term debt and lease liability paid	1,109,541	729,687
Additions to property, plant and equipment included in accounts payable and accrued liabilities	—	332,172
Additions to property, plant and equipment paid with equipment deposits	—	291,077
Amount included in cash and cash equivalents consisting of guaranteed investment certificates bearing interest at a rate of 5.11% and having terms of 60 days [2022 - Rate of 0.89% and being redeemable on demand]	25,000,000	10,000,000

See accompanying notes to unaudited condensed interim consolidated financial statements

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

1. NATURE OF OPERATIONS

NanoXplore Inc., and its subsidiaries (together “NanoXplore” or the “Corporation”), is a graphene company, a manufacturer and supplier of high-volume graphene powder for use in 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 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.

On July 15, 2021, NanoXplore Inc. graduated from the Toronto Stock Exchange (“TSX”) Venture Exchange to the TSX. NanoXplore is traded under “GRA” on the TSX and is also listed on the OTCQX and traded under “NNXPF”.

On March 24, 2023, NanoXplore Inc. purchased of Martinrea Innovation Developments Inc.’s 50% equity stake in VoltaXplore Inc. (“VoltaXplore”). NanoXplore now owns 100% of VoltaXplore.

The unaudited condensed interim consolidated financial statements of the Corporation for the three and nine-month periods ended March 31, 2023 and 2022 were reviewed, approved and authorized for issue by the Corporation’s Board of Directors on May 10, 2023.

Macroeconomics and Supply chain issues

The COVID-19 pandemic and its negative collateral effects on the supply of materials and labour availability along with the armed conflict between Russia and Ukraine continue to be part of today’s macro-economic landscape. In recent months, the resulting negative impacts have stabilized and are less disruptive to our operations than they have been. A material deterioration in any of the foregoing could have a material adverse effect on the Corporation’s business and results of operations. The Corporation expects to be able to continue to respond to these external forces in a measured, prudent and decisive manner with continued emphasis on health and safety, cash conservation and the maintenance of its liquidity position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The unaudited condensed interim consolidated financial statements of the Corporation and its subsidiaries for the three and nine-month periods ended March 31, 2023 and 2022 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting.

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, the Corporation’s functional currency, except where otherwise indicated. Each entity of the Corporation determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The significant accounting judgments, estimates and assumptions used in these unaudited condensed interim consolidated financial statements are consistent with those disclosed in the most recent audited annual consolidated financial statements for the year ended June 30, 2022.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, at historical cost, except for financial assets and liabilities classified as financial assets/liabilities at fair value through profit or loss and measured at fair value. Management considers that the fair value of financial assets and liabilities recorded in the financial statements approximates the carrying amount.

Basis of consolidation

The unaudited condensed interim consolidated financial statements include the accounts of the Corporation and its subsidiaries. The subsidiaries are using consistent accounting policies and the same reporting period as the parent company. All intercompany transactions, balances and unrealized gains or losses have been eliminated.

Standards, interpretations and amendments to published standards adopted with an effect on the unaudited condensed interim consolidated financial statements

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes for the year ended June 30, 2022.

The following standards and amendments to existing standards have been published, and their adoption is mandatory for future accounting periods.

Amendment to IAS 1 – Presentation of Financial Statements

On October 31, 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements to improve the information companies provide about long-term debt with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted.

3. ASSETS ACQUISITION AND BUSINESS COMBINATIONS

a) VoltaXplore

On April 14, 2021, NanoXplore and Martinrea Innovation Developments Inc., a wholly-owned subsidiary of Martinrea International Inc. (“Martinrea”), formed a joint venture through VoltaXplore, a battery-based initiative to service the electric transportation and grid storage market.

On March 24, 2023, NanoXplore Inc. purchased Martinrea Innovation Developments Inc.’s 50% equity stake in VoltaXplore for an aggregate equity consideration of \$9,987,586. NanoXplore now owns 100% of VoltaXplore.

The VoltaXplore acquisition has been recorded as an acquisition of assets as VoltaXplore does not meet the definition of a business under IFRS 3, *Business Combinations*. The assets acquired and liabilities assumed were initially recognized applying a cost accumulation approach. The consideration paid and the allocation to the net assets acquired are summarized as follow:

	\$
Net identifiable assets acquired:	
Cash	329,823
Accounts receivable and contract asset	37,127
Prepaid expenses and other assets	57,185
Lease deposits	60,066
Equipment deposits	236,291
Right-of-use assets	1,183,379
Property, plant and equipment	7,264,853
Intangible assets	6,717,680
	<u>15,886,404</u>
Accounts payable and accrued liabilities	(328,054)
Lease liability	(1,391,870)
Advance from NanoXplore Inc.	(1,000,000)
	<u>(2,719,924)</u>
Net assets acquired	<u><u>13,166,480</u></u>

	\$
Consideration paid	
Common shares issuance	9,987,586
50% equity stake previously owned	3,178,894
Total consideration paid	13,166,480

b) XG Sciences Inc.

On August 24, 2022, the Corporation purchased a significant portion of the assets of XG Sciences Inc. (“XG”) for an amount of \$3,894,900 [US\$3,000,000] in a sale conducted by XG’s senior secured creditor pursuant to Article 9 of Michigan’s enactment of the Uniform Commercial Code. The Corporation and the senior creditor have entered into an asset purchase agreement pursuant to which NanoXplore is acquiring XG’s mechanical milling platform, research and development lab and all issued and pending patents and trademarks, among other items. To account for the transaction, the Corporation has estimated the value of the assets acquired and recorded such value in the inventory, property, plant and equipment and intangible assets based on this estimate.

c) Canuck Compounders Inc. (“Canuck”)

On December 15, 2021, the Corporation acquired all of the issued and outstanding shares of Canuck for a total consideration of \$9,158,408. This amount represents \$9,300,000 plus cash on hand, less debt and a working capital adjustment, and a discount on the balance of purchase price due in 24 months. This transaction was financed using the Corporation’s available cash. This acquisition was concluded to expand the Corporation’s downstream, value-added product offering through enhanced masterbatch and compounds.

Canuck employs approximately 40 people and provides sustainable and engineered recycled plastic compounds for use in transportation, building and construction, agriculture and packaging markets. Canuck’s manufacturing facility is based in Cambridge, Ontario.

The fair value of the total consideration at the date of the transaction is presented in the table below:

	\$
Paid in cash at closing date	6,762,121
Post-closing adjustments	454,452
Balance of purchase price due in 12 months	1,000,000
Balance of purchase price due in 24 months (<i>\$1,000,000 discounted at a rate of 3%</i>)	941,835
Total consideration	9,158,408

This transaction qualifies as a business combination and was accounted for using the acquisition method of accounting under IFRS 3, *Business Combinations*. The total purchase price was allocated to the assets acquired and liabilities assumed based on the fair value of the total consideration at the closing date of the transaction.

	\$
Net identifiable assets acquired:	
Cash	386,039
Accounts receivable and contract asset	5,209,753
Inventory	2,317,473
Prepaid expenses and other assets	71,208
Right-of-use assets	1,550,072
Property, plant and equipment	2,820,720
Intangible assets	3,900,000
	<u>16,255,265</u>
Operating loans	(345,000)
Accounts payable and accrued liabilities	(4,008,005)
Income taxes payable	(461,315)
Lease liability	(1,581,650)
Long-term debt	(491,861)
Deferred tax liabilities	(1,668,535)
	<u>(8,556,366)</u>
Total identifiable net assets	7,698,899
Goodwill	1,459,509
Total consideration paid or to be paid in cash	<u>9,158,408</u>

Since December 15, 2021, the assets and liabilities of Canuck are included in the consolidated statement of financial position and the operating results are reflected in the Corporation's consolidated statement of loss and comprehensive loss.

The Corporation has given a general and continuing security interest in all Canuck's movable, tangible and intangible assets to secure the balance of purchase price payable.

4. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

a) Right-of-use assets

	Nine-month period ended March 31, 2023 \$	Year ended June 30, 2022 \$
Balance at the beginning	8,381,031	4,885,169
Additions [Note 3a]	1,888,229	3,252,623
Acquired in a business combination [Note 3c]	-	1,550,072
Depreciation	(1,184,515)	(1,382,130)
Effect of foreign exchange differences	190,227	75,297
Balance at the end	<u>9,274,972</u>	<u>8,381,031</u>
Balance at the end		
Cost	14,679,546	12,601,090
Accumulated depreciation	(5,404,574)	(4,220,059)
Net book value	<u>9,274,972</u>	<u>8,381,031</u>

The majority of right-of-use assets are leases of land and building.

b) Property, plant and equipment

	Land & Building \$	Production equipment \$	Leasehold improvements \$	Laboratory, computer, office equipment and rolling stock \$	Total \$
Balance as at July 1, 2021	12,428,198	39,803,650	1,760,007	942,615	54,934,470
Additions	570,420	2,479,978	586,185	220,408	3,856,991
Acquired in a business combination [Note 3c]	–	2,774,000	6,660	40,060	2,820,720
Transfer to leasehold improvements	(872,155)	–	872,155	–	–
Disposals	(2,358,015)	–	–	–	(2,358,015)
Depreciation	(406,040)	(3,749,771)	(379,601)	(697,222)	(5,232,634)
Effect of foreign exchange differences	88,701	191,182	17,706	10,074	307,663
Balance as at June 30, 2022	9,451,109	41,499,039	2,863,112	515,935	54,329,195
Additions [Note 3a, 3b]	262,221	768,521	407,391	10,741,693	12,179,826
Depreciation	(362,369)	(3,172,783)	(239,975)	(483,248)	(4,258,375)
Effect of foreign exchange differences	–	357,446	66,671	21,714	445,831
Balance as at March 31, 2023	9,350,961	39,452,223	3,097,199	10,796,094	62,696,477
As at June 30, 2022					
Cost	10,560,847	51,088,621	3,535,883	1,930,081	67,115,432
Accumulated depreciation	(1,109,738)	(9,589,582)	(672,771)	(1,414,146)	(12,786,237)
Net book value	9,451,109	41,499,039	2,863,112	515,935	54,329,195
As at March 31, 2023					
Cost	10,823,068	52,107,354	3,989,944	12,686,974	79,607,340
Accumulated depreciation	(1,472,107)	(12,655,131)	(892,745)	(1,890,880)	(16,910,863)
Net book value	9,350,961	39,452,223	3,097,199	10,796,094	62,696,477

The majority of property, plant and equipment is pledged as security for the credit facilities (Note 6).

Additions of production equipment under lease during the nine-month period ended March 31, 2023 amounted to \$ nil [Year ended June 30, 2022 – \$254,605]. Leased assets are pledged as security for the related lease liability.

As at March 31, 2023, there are \$761,144 and \$202,872 of building and production equipment, respectively, that are not yet available for use and for which depreciation has not started [As at June 30, 2022 – \$606,907 and \$749,182 of building and production equipment respectively].

5. INTANGIBLE ASSETS

	Customer relationship \$	Technology \$	Patents, licenses and software \$	Total \$
Balance as at July 1, 2021	3,166,170	–	188,276	3,354,446
Additions	–	–	761,072	761,072
Acquired in a business combination [Note 3c]	3,900,000	–	–	3,900,000
Amortization	(659,449)	–	(101,849)	(761,298)
Effect of foreign exchange differences	1,387	–	733	2,120
Balance as at June 30, 2022	6,408,108	–	848,232	7,256,340
Additions [Note 3a, 3b]	–	6,688,953	1,316,635	8,005,588
Amortization	(623,970)	–	(153,179)	(777,149)
Effect of foreign exchange differences	23,971	–	–	23,971
Balance as at March 31, 2023	5,808,109	6,688,953	2,011,688	14,508,750
As at June 30, 2022				
Cost	8,572,895	–	1,131,317	9,704,212
Accumulated depreciation	(2,164,787)	–	(283,085)	(2,447,872)
Net book value	6,408,108	–	848,232	7,256,340
As at March 31, 2023				
Cost	8,596,866	6,688,953	2,447,952	17,733,771
Accumulated depreciation	(2,788,757)	–	(436,264)	(3,225,021)
Net book value	5,808,109	6,688,953	2,011,688	14,508,750

As at March 31, 2023, there are \$283,960 of software that are not yet available for use and for which amortization has not started [As at June 30, 2022 – \$ nil].

6. CREDIT FACILITIES

	Maturity	Effective interest rate %	As at March 31, 2023 \$	As at June 30, 2022 \$
Operating loans, fixed and variable rates				
– Authorized amount of \$11,833,700	2023	5.4% to 8.8%	1,480,400	4,648,900
Lease liability	2023 to 2032	2.1% to 10.0%	15,789,992	15,232,915
Long-term debt, fixed and variable rates	2023 to 2030	5.0% to 7.7%	8,312,297	9,450,814
			25,582,689	29,332,629
Less: current portion of operating loans			1,480,400	4,648,900
Less: current portion of lease liability			2,791,816	2,490,911
Less: current portion of long-term debt			4,528,461	3,168,932
			16,782,012	19,023,886

Under these agreements, the Corporation has agreed to respect certain conditions and financial ratios. As at March 31, 2023, all conditions and financial ratios were met. Several movable hypothecs on specific assets of the Corporation and its subsidiaries and on the universality of the Corporation's present and future, tangible and intangible assets have been given as security for these long-term debt and credit facilities.

7. RELATED PARTY TRANSACTIONS

Martinrea is a shareholder of the Corporation with significant influence. Subsidiaries of Martinrea purchased graphene-enhanced products and tooling products from the Corporation during the three and nine-month periods ended March 31, 2023 for an amount of \$297,662 and \$693,070, respectively [2022 – 165,544 and \$1,057,837]. As at March 31, 2023, an amount of \$597,782 due by Martinrea is included in Accounts receivable and contract assets [As at June 30, 2022 – \$628,008].

During the three and nine-month periods ended March 31, 2023, the Corporation has rendered services to VoltaXplore, prior acquiring the second 50% equity stake on March 24, 2023 (*Note 3a*), for an amount of \$7,422 and \$20,335, respectively [2022 – \$5,232 and \$9,939]. As at June 30, 2022, an amount of \$37,435 was included in Accounts receivable and contract assets. Since March 24, 2023, VoltaXplore is a wholly-owned subsidiary of the Corporation and its assets and liabilities are included in the consolidated statements of financial position and operating results are reflected in the consolidated statements of loss and comprehensive loss of the Corporation.

8. SEGMENTED DISCLOSURE

The Corporation's Chief Operating Decision Maker analyzes the information for the Corporation as a whole on a consolidated basis only and, as such, the Corporation determined that it has only one operating segment.

9. COMMITMENTS

The Corporation is committed to purchase raw materials to certain suppliers within two years.

As at March 31, 2023, the Corporation held derivative foreign currency forward exchange contracts to sell for a minimum of US\$30.7 million and a maximum of US\$45.5 million depending on the exchange rate of such derivative contracts. Rates vary from 1.1838 to up to 1.3720. The contracts are valid until February 2025. As at March 31, 2023, the carrying value of the derivative foreign currency forward exchange contracts of \$1,358,573 is included in Accounts payable and accrued liabilities [As at June 30, 2022 – \$336,995 included in Accounts payable and accrued liabilities].