

# **Dundee Sustainable Technologies Inc.**

## Condensed Interim Consolidated Financial Statements (Unaudited)

As at and for the three months ended March 31, 2024.  
(Expressed in Canadian dollars)

**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 March 31, 2024	As at December 31, 2023
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		504,341	433,425
Accounts receivable	4	780,464	586,368
R&D tax credit receivable		103,000	103,000
Sales taxes		-	76,511
Other assets and prepaid expenses		71,219	68,424
		1,459,024	1,267,728
<b>Non-current assets</b>			
Investment in associate	5	-	98,123
Property, plant and equipment	6	150,330	159,173
Intangible assets	7	2,076,224	2,191,569
		2,226,554	2,448,865
<b>Total assets</b>		<b>3,685,578</b>	<b>3,716,593</b>
<b>Liabilities and Deficiency</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		1,022,802	976,547
Sales tax payable		47,861	-
Contract liabilities		50,896	20,726
Current portion of long-term debts	9	333,578	333,578
Loan from a related party	8	558,986	-
		2,014,123	1,330,851
<b>Non-current liabilities</b>			
Long-term debts	9	519,122	583,950
Promissory note from a related party	8	4,331,664	4,195,050
Loan from a related party	8	10,732,545	10,394,158
Convertible debenture	9	4,864,591	4,703,970
<b>Total liabilities</b>		<b>22,462,045</b>	<b>21,207,979</b>
<b>Deficiency</b>			
Share capital	10	68,907,882	68,907,882
Contributed surplus	11	9,402,047	9,402,047
Deficit		(97,086,396)	(95,801,315)
<b>Total deficiency</b>		<b>(18,776,467)</b>	<b>(17,491,386)</b>
<b>Total liabilities and deficiency</b>		<b>3,685,578</b>	<b>3,716,593</b>
<b>Going concern</b>	1		
<b>Subsequent events</b>	15		

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 months ended March 31, 2024 and 2023

(Expressed in Canadian dollars, except number of shares)

	Note	2024	2023
		\$	\$
Sale of services		687,434	745,599
<b>Expenses</b>			
Operating expenses related to services	5	394,938	632,305
Research and development, net of credits	13	176,464	249,910
Professional and consulting fees		275,621	302,775
Administrative		60,905	73,942
Wages and compensation		144,733	126,997
Shareholder communication		45,419	34,975
Depreciation of property, plant and equipment		-	6,860
Amortization of intangible assets		115,345	115,345
Total expenses		1,213,425	1,543,109
<b>Operating loss</b>		<b>(525,991)</b>	<b>(797,510)</b>
Share of loss for equity accounted investment	5	(98,123)	-
Finance income	8	-	57,667
Finance cost	8,9	(671,612)	(580,083)
Gain (loss) on foreign currency exchange		10,645	(5,845)
<b>Net loss and comprehensive loss</b>		<b>(1,285,081)</b>	<b>(1,325,771)</b>
<b>Basic and diluted net loss per share</b>		<b>(0.02)</b>	<b>(0.02)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>		<b>66,695,774</b>	<b>66,695,774</b>

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

## Dundee Sustainable Technologies Inc.

### Consolidated Statements of Changes in Deficiency

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars, except number of shares)

		Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
	Note	Number	\$	Number	\$	\$	\$	\$
<b>Balance – December 31, 2023</b>	10	<b>2,500,000</b>	<b>3,963,875</b>	<b>64,195,774</b>	<b>64,944,007</b>	<b>9,402,047</b>	<b>(95,801,315)</b>	<b>(17,491,386)</b>
Net loss and comprehensive loss for the period		-	-	-	-	-	(1,285,081)	(1,285,081)
<b>Balance – March 31, 2024</b>		<b>2,500,000</b>	<b>3,963,875</b>	<b>64,195,774</b>	<b>64,944,007</b>	<b>9,402,047</b>	<b>(97,086,396)</b>	<b>(18,776,467)</b>

		Multiple voting shares		Subordinate voting shares		Contributed surplus	Deficit	Total deficiency
	Note	Number	\$	Number	\$	\$	\$	\$
<b>Balance – December 31, 2022</b>	10	<b>2,500,000</b>	<b>3,963,875</b>	<b>64,195,774</b>	<b>64,944,007</b>	<b>9,402,047</b>	<b>(93,537,612)</b>	<b>(15,227,683)</b>
Net loss and comprehensive loss for the period		-	-	-	-	-	(1,325,771)	(1,325,771)
<b>Balance – March 31, 2023</b>		<b>2,500,000</b>	<b>3,963,875</b>	<b>64,195,774</b>	<b>64,944,007</b>	<b>9,402,047</b>	<b>(94,863,383)</b>	<b>(16,553,454)</b>

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

# Dundee Sustainable Technologies Inc.

## Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

	Note	2024 \$	2023 \$
<b>Operating activities</b>			
Net loss for the period		(1,285,081)	(1,325,771)
Adjusted for:			
Depreciation of property, plant and equipment	6	8,843	6,860
Depreciation of property, plant and equipment included in research and development	6	-	30,454
Amortization of intangible assets	7	115,345	115,345
Gain on debt extinguishment	8,9	-	(57,667)
Amortization of debt discounts	8,9	242,944	172,794
Share of loss for equity accounted investment	5	98,123	-
Finance cost accrued	8,9	420,230	369,419
		(399,596)	(688,566)
Changes in non-cash operating working capital items:			
Accounts receivable		(194,096)	26,239
Sales tax payable / receivable		124,312	(113,278)
Other assets		-	(8,942)
Prepaid expenses		(2,795)	1,233
Accounts payable and accrued liabilities		46,255	234,820
Contract liabilities		30,170	11,197
		3,906	151,269
<b>Net cash used in operating activities</b>		<b>(395,690)</b>	<b>(537,297)</b>
<b>Financing activities</b>			
Principal elements of lease payments	6	-	(34,080)
Long-term debts payment	9	(83,394)	(83,394)
Short-term loan from a related party	9	550,000	-
Promissory note from a related party	8	-	2,000,000
<b>Net cash provided by financing activities</b>		<b>466,606</b>	<b>1,882,526</b>
Net change in cash and cash equivalents during the period		70,916	1,345,229
Cash and cash equivalents – beginning of period		433,425	511,691
<b>Cash and cash equivalents – end of period</b>		<b>504,341</b>	<b>1,856,920</b>

### Supplemental information

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

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

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### 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 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 March 31, 2024, Dundee Corporation (“Dundee”) was the principal and majority shareholder of the Corporation.

For the three months ended March 31, 2024, the Corporation incurred a loss of \$1,285,081 (2023 – \$1,325,771) and has a negative working capital of \$555,099 (2023 –\$63,123). Deficit as at March 31, 2024 amounted to \$97,086,396 (2023 – \$95,801,315) and cash flows used in operating activities for the three months ended March 31, 2024 amounted to \$395,690 (2023 – \$537,297).

Management estimates that the Corporation will not have sufficient funds to meet its obligations and budgeted expenditures through to March 31, 2025. 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 Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) 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 condensed interim 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 May 13, 2024, these consolidated financial statements were approved by the Board of Directors.

### 2. MATERIAL ACCOUNTING POLICIES

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

#### **Basis of preparation**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards 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

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

with the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2023 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, 2023.

### 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim consolidated financial statements for the three months ended March 31, 2024 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, 2023.

### 4. ACCOUNTS RECEIVABLE

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

As at March 31, 2024, accounts receivable from related parties amounted to \$628,871 (2023 – 89,277).

### 5. EQUITY ACCOUNTED INVESTMENT

During the three months ended March 31, 2024, the equity accounted investment was valued at Nil compared to \$98,123 from the previous period. This adjustment reflects the negative equity reported by the associate during this period. Other than the valuation, there were no significant transactions that affected the carrying value of equity accounted investments during the three months ended March 31, 2024. A detailed description of significant transactions that affected the carrying value of equity accounted investments as at the year ended December 31, 2023, is disclosed in Note 5 to the audited consolidated financial statements as at and for the year ended December 31, 2023

	As at March 31, 2024		As at December 31, 2023	
	Ownership	Carrying value	Ownership	Carrying value
Equity accounted investment		\$		\$
<b>Enim Technologies Holding Inc.</b>	<b>25%</b>	<b>-</b>	<b>25%</b>	<b>98,123</b>



# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

Equity earnings (losses)	Three months ended	
	March 31,	
	2024	2023
	\$	\$
<b>Enim Technologies Holding Inc.</b>	<b>(98,123)</b>	<b>-</b>

## 6 PROPERTY, PLANT AND EQUIPMENT

	Vehicles and equipment	Right of use assets	Total
<b>Gross carrying amount</b>	\$	\$	\$
Balance – January 1, 2024	47,000	176,859	223,859
Balance – March 31, 2024	47,000	176,859	223,859
<b>Accumulated depreciation</b>			
Balance – January 1, 2024	47,000	17,686	64,686
Depreciation	-	8,843	8,843
Balance – March 31, 2024	47,000	26,529	73,529
<b>Net carrying amount – March 31, 2024</b>	<b>-</b>	<b>150,330</b>	<b>150,330</b>
<b>Net carrying amount – December 31, 2023</b>	<b>-</b>	<b>159,173</b>	<b>159,173</b>

### Leases

The Corporation recognized a ROU asset and its related lease liability in connection with the Corporation's facilities. The ROU assets are depreciated on a straight-line basis over the term of the lease, which is expected to mature in June 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	Three months ended	
	March 31	
	2024	2023
		\$
Balance – beginning of the period	-	874,434
Principal portion of lease payments	-	(34,080)
<b>Balance – end of the period</b>	<b>-</b>	<b>840,354</b>
Current lease liability	-	131,309
Non-current lease liability	-	709,045

The consolidated statement of loss and comprehensive loss shows the following amounts relating to the lease for the three months ended March 31, 2024 and 2023:

	Three months ended	
	March 31	
	2024	2023
	\$	\$
Depreciation ROU assets	-	6,860
Depreciation ROU assets included in research and development	8,843	30,454
Interest expense included in finance cost	-	25,247

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

### 7. INTANGIBLE ASSETS

Intangible assets	Three months ended	
	March 31	
Gross carrying amount	2024	2023
Balance – January 1 and March 31:	\$	\$
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
<b>Accumulated amortization</b>		
Balance – January 1	2,422,244	1,960,871
Amortization	115,345	115,345
Balance – March 31	2,537,589	2,076,216
<b>Net carrying amount – March 31</b>	<b>2,076,224</b>	<b>2,537,597</b>

### 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 two promissory notes amounted to \$2,500,000, 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. On July 13, 2023, the Corporation agreed with Dundee to extend the maturity date of all of its promissory notes from the original maturity date to May 15, 2025 with all the other term conditions remaining unchanged. As at March 31, 2024, the principal amount of the promissory notes totaled \$3,950,000 (2023 – \$3,950,000) and the finance cost accrued during the three months ended March 31, 2024 amounted to \$89,318 (2023 – \$77,104). 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 difference between the carrying amount and the new fair value of the promissory notes was recognized as finance income in the consolidated statement of loss and comprehensive loss.

Promissory notes	Three months ended	
	March 31,	
	2024	2023
	\$	\$
Balance – beginning of period	4,195,050	2,119,877
Principal amount advanced	-	2,000,000
Finance cost accrued	89,318	77,104
Promissory note discounted at fair value	-	(57,667)
Amortization of promissory note discount	47,296	38,940
<b>Balance – end of period</b>	<b>4,331,664</b>	<b>4,178,254</b>

#### 8.2 Loan from a related party

The Corporation had two 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.

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

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. On July 13, 2023, the Corporation agreed with Dundee 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. Upon the extension of the maturity date, which was considered to be a debt extinguishment, the fair value of the loan and accrued interests were estimated at \$9,783,087, 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 difference between the carrying amount and the new fair value of the loan was recognized as finance income in the consolidated statement of loss and comprehensive loss.

As at March 31, 2024, the principal amount of the loan totaled \$8,484,534 (2023 – \$8,484,534) and the finance cost accrued during the three month ended March 31, 2024 amounted to \$221,237 (2023 – \$202,697).

	Three months ended	
	March 31,	
	2024	2023
	\$	\$
Balance – beginning of period	10,394,158	10,116,538
Finance cost accrued	221,237	202,697
Amortization of loan discount	117,150	71,707
<b>Balance – end of period</b>	<b>10,732,545</b>	<b>10,390,942</b>

### 8.3 On-demand loan agreement from a related party

On February 15, 2024, the Corporation entered into a on-demand loan agreement in the principal amount of \$550,000 payable to a wholly owned subsidiary of Dundee. The Loan has a maturity date of September 1, 2024, along with interest at a rate of 13% per annum. As at March 31, 2024, the principal amount of the loan totaled \$550,000 and the finance cost accrued during the three month period ended March 31, 2024 amounted to \$8,986.

## 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 had 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 \$1,125,000. 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. On July 13, 2023, the Corporation agreed with IQ 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. Upon the extension of the maturity date, which was considered to be a debt extinguishment, 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 difference between the carrying amount and the new fair value of the convertible debenture was recognized as a credit to the Research and Development

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

expenses in the consolidated statement of loss and comprehensive loss.

During the three month period ended March 31, 2024, the Corporation capitalized interest expense of \$100,873 (2023 – \$92,419).

	Three months ended March 31,	
	2024	2023
	\$	\$
Carrying amount of the liability – beginning of period	4,703,970	4,588,245
Finance costs accrued	100,873	92,419
Amortization of convertible debenture discount	59,748	38,660
<b>Carrying amount of the liability – end of period</b>	<b>4,864,591</b>	<b>4,588,245</b>

### 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 matures six years after the initial disbursement and bears interest at a rate of 3.04% per annum. The Corporation benefited from a 24-month moratorium period on the repayment of capital since the first disbursement. During 2023, the Corporation started reimbursing the capital 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 three months ended March 31, 2024, amounted to \$5,933 (2023 – \$7,959).

	Three months ended March 31,	
	2024	2023
	\$	\$
Carrying amount of the liability – beginning of period	740,015	930,688
Finance cost accrued	(184)	(2,801)
Principal amount paid	(69,216)	(69,216)
Amortization of discount	13,646	17,385
<b>Carrying amount of the liability – end of period</b>	<b>684,261</b>	<b>876,056</b>
<b>Current portion</b>	<b>276,864</b>	<b>276,864</b>
<b>Non-current portion</b>	<b>407,397</b>	<b>599,192</b>
<b>Total</b>	<b>684,261</b>	<b>876,056</b>

### 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.

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

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.

	Three months ended	
	March 31,	
	2024	2023
	\$	\$
Balance – beginning of year	177,513	211,278
Payments	(14,178)	(14,178)
Amortization of long-term debt discount	5,104	6,102
<b>Balance – end of year</b>	<b>168,439</b>	<b>203,202</b>
<b>Current portion</b>	<b>56,714</b>	<b>56,714</b>
<b>Non-current portion</b>	<b>111,725</b>	<b>146,488</b>
<b>Total</b>	<b>168,439</b>	<b>203,202</b>

## 10. SHARE CAPITAL

### Authorized

On March 31, 2024 and December 31, 2023, 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:

	Three months ended			
	March 31,			
	2024		2023	
	Number of warrants	Carrying amount	Number of warrants	Carrying amount
		\$		\$
<b>Balance – beginning and end of period</b>	<b>3,527,777</b>	<b>261,055</b>	<b>3,527,777</b>	<b>261,055</b>

## Dundee Sustainable Technologies Inc.

### Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

As at March 31, 2024, outstanding warrants are as follows:

Number of warrants	Weighted average exercise price	Expiry date
	\$	
3,527,777	0.31	February 28, 2027
<b>3,527,777</b>	<b>Outstanding</b>	

## 12. STOCK OPTION PLAN

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

	Three months ended March 31,			
	2024		2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – beginning of year	3,450,000	0.35	3,952,500	0.43
Expired	-	-	(330,000)	0.50
<b>Balance – end of year</b>	<b>3,450,000</b>	<b>0.35</b>	<b>3,622,500</b>	<b>0.43</b>

As at March 31, 2024, outstanding options are as follows:

Number of options	Weighted average exercise price	Expiry date
	\$	
1,200,000	0.35	May 8, 2024 <sup>(1)</sup>
2,250,000	0.35	September 29, 2025
<b>3,450,000</b>	<b>Outstanding</b>	

(1) The options were not exercised before the expiry date.

The residual weighted average contractual term of outstanding options was 1.01 years as at March 31, 2024.

## 13. RESEARCH AND DEVELOPMENT

	Three months ended March 31,	
	2024	2023
	\$	\$
Research and development	235,716	249,910
Tax credit and other government subsidies	(59,252)	-
	<b>176,464</b>	<b>249,910</b>

# Dundee Sustainable Technologies Inc.

## Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

### 14. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended	
	March 31,	
	2024	2023
	\$	\$
Finance cost paid	2,321	9,822
Finance cost on lease payments	-	25,247

### 15. SUBSEQUENT EVENTS

#### Promissory note

On April 26, 2024, the Corporation received the funds of a promissory note (the "Note") in the principal amount of \$150,000 payable to a wholly owned subsidiary of Dundee. The Note has a maturity date of December 31, 2024, along with interest at a rate of 13% per annum.

#### Loan receivable to an associate

On April 29, 2024, the Corporation provided a short-term loan (the "Loan") to its associate Enim Technologies Holding Inc. for a total amount of \$150,000. The Loan is bearing interest of a prime rate plus 10%, payable monthly. The Loan is secured and has a due date of December 31, 2024.