IBEX

IBEX TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL 2023

YEAR ENDED JULY 31, 2023

As at November 8, 2023

IBEX

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JULY 31, 2023

November 8, 2023

TABLE OF CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS

November 8, 2023

1 PREAMBLE

The following Management Discussion and Analysis ("MD&A") and the audited consolidated financial statements of IBEX Technologies Inc. (the "Company") were approved by the Audit Committee and the Board of Directors on November 8, 2023. This MD&A provides a review of the developments and results of operations of the Company during the fourth quarter and the fiscal year ended July 31, 2023 compared with the fourth quarter and the fiscal year ended July 31, 2022.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended July 31, 2023 and 2022.

The Company's audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company, including the Company's Proxy Circular, can be found on SEDAR at www.sedar.com.

Where "IBEX" or "the Company" is used, it refers to IBEX Technologies Inc. and its wholly owned subsidiaries, unless otherwise indicated. All amounts are in Canadian dollars, unless otherwise indicated.

2 FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. For more information on the Company's risks and uncertainties relating to these forward-looking statements, please refer to the risks and uncertainties section of the MD&A.

3 INTRODUCTION TO IBEX

3.1 Enzymes

The Company, through its wholly owned subsidiary, IBEX Pharmaceuticals Inc., manufactures and markets enzymes for biomedical use.

The Company's products are sold directly by the Company to manufacturers of medical devices, quality control labs, low molecular weight heparin manufacturers and academic research institutions.

Heparinase I is the most important of the IBEX enzymes. Its potential lies in its ability to cleave heparin and low molecular weight heparins and thereby neutralize the effects of heparin and heparinoids, which are drugs commonly used in hospitals and which interfere with hemostasis tests. Heparinase I recognizes and cleaves a pentasaccharide sequence which occurs in both unfractionated heparin and the low molecular weight heparins, thereby neutralizing their anticoagulant activity and thus facilitating the accurate measurement of hemostasis.

IBEX heparinase I is made via a proprietary process and is the only heparinase I approved for use in clinical diagnostics in North America and Europe.

The Company also makes enzymes which are used in producing diagnostic tests for acetaminophen poisoning and enzymes which are used in tests for homocystinuria.

In addition to making and selling enzymes, IBEX also provides lyophilization services for the making of disposable medical diagnostic device components used in the hemostasis point-of-care market.

3.2 Arthritis Assays

For many years IBEX produced a small line of ELISA kits for collagen research. Due to declining sales and production issues beyond our control, IBEX decided in September 2023 to discontinue this marginally profitable line.

4 RESULTS OF OPERATIONS: Q4 FISCAL 2023

4.1 Summary of Quarterly Results

The following table is a summary of selected quarterly consolidated financial information of the Company for each of the eight most recently completed quarters.

(In thousands of dollars, excluding per share amounts)	Q4		Q3		Q2		Q1		Full Year	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
- Revenues	1,754	2,070	2,264	2,209	1,722	1,832	1,752	1,781	7,492	7,892
- Net earnings & comprehensive income	2,224	35	891	570	100	405	679	664	3,894	1,674
- Earnings per common share	0.09	-	0.04	0.02	0.00	0.02	0.03	0.03	0.16	0.07
- EBITDA	384	815	920	687	117	496	741	763	2,162	2,761

Net Earnings for the Quarter

The Company recorded earnings before tax of $356,622 during the fourth quarter ended July 31, 2023 compared to $746,991 for the same period year ago as a result of the decrease in revenues of $316,112 (see section 4.3) and increase in expenses of $74,257 (see section 4.4).

Due to the recognition of previously unrecognized tax assets, the company recorded an income tax recovery of $1,867,020 for the quarter vs an income tax expense of $712,228 same period last year which led to net earnings of $2,223,643 for the quarter versus $34,765 in the prior year.

EBITDA for the quarter was $383,570 versus $815,219 last year, a decrease of $431,649 mainly due to the decrease in revenue for the quarter.

It should be noted that Earnings Before Interest, Tax, Depreciation & Amortization ("EBITDA") is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider that this performance measure facilitates the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program. Note that our definition of this measure may differ from the ones used by other public corporations. The elements include in the Company's EBITDA are: Net earnings (loss), Depreciation of property, plant, equipment and intangible assets, Depreciation of right-of-use assets, Interest-Net, Income tax expense (recovery).

4.2 Foreign Exchange

The tables below show the fluctuation in the Canadian/US dollar exchange rates which can have a significant impact on the Company's results. Average rates are used to translate revenues and expenses for the period mentioned; closing rates are used to translate assets and liabilities of foreign operations, as well as monetary assets and liabilities at the end of the reporting period.

Consolidated foreign exchange loss / (gain)		
Quarter ended	**July 31, 2023**	July 31, 2022
Balance sheet revaluation		
• US cash	**$40,325**	($25,014)
• US Trade receivables	**$10,193**	$4,454
• Other US accounts	**($266)**	$5,876
Total loss / (gain) on revaluation	**$50,252**	($14,684)

Canadian/US dollar		
Quarter ended	**July 31, 2023**	July 31, 2022
Average rate	**1.3341**	1.2869
Closing rate	**1.3177**	1.2824

4.3 Revenues for the Quarter

Note: While the Company reports in Canadian dollars, the US dollar is the Company's selling currency. As such, fluctuations in the Canadian/US dollar exchange rate can have a significant impact on the reported revenue figures.

Revenues for the quarter ended July 31, 2023 totaled $1,753,902, a decrease of $316,112 (15%) compared to the same period year ago. The decrease in revenues is mainly due to a decrease in volume of $379,025 (US$284,105) due to clients working off inventory buildup. This decrease is partially offset by a positive foreign exchange impact of $82,370.

Revenues Variations – Quarter ended	July 31, 2023 vs. July 31, 2022
Volume/mix impact:	
• Decrease due to volume USD	($284,105)
• Decrease due to product mix USD	($14,585)
Total decrease due to volume/mix USD	($298,690)

Currency impact:	
● Total decrease due to volume/mix CAD	($398,482)
● Currency positive effect in CAD	$82,370
● Total decrease in CAD	($316,112)

During the fourth quarter ended July 31, 2023, the average exchange rate was 1.3341 compared to 1.2869 in the same quarter last year. This translates to a gain for the Company since it sells in US dollars and reports in Canadian dollars.

4.4 Total Expenses for the Quarter

Operating expenses for the fourth quarter of Fiscal 2023 were $1,611,303, an increase of $166,004 mainly due to higher SG&A and R&D costs partially offset by a decrease in cost of sales. See Section below for details.

Higher interest income on the cash balances and higher SR&ED tax credits led total expenses before tax to be in line with prior year.

Expense details		
Quarter ended	**July 31, 2023**	July 31, 2022
Cost of sales[1]	**$558,328**	$624,922
R&D expenses[1]	**$158,862**	$132,138
SG&A expenses[1]	**$772,217**	$596,242
Depreciation of PPE[2]	**$53,555**	$34,370
Depreciation of right-of-use assets	**$68,341**	$57,627
Operating expenses	**$1,611,303**	$1,445,299
Foreign exchange (gain) / loss	**$50,252**	($14,684)
Financial expenses - net	**($87,382)**	($17,936)
Other income	**($176,894)**	($89,657)
Total expenses	**$1,397,279**	$1,323,022

1- Excludes related depreciation expense for the purposes of this presentation.
2- PPE = Property, plant and equipment and intangible assets.

4.4.1 Cost of Sales

The Company uses the actual-cost method of recording its production costs rather than a standard-cost method (because of the practicalities of the Company's production, the standard-cost method is unsuitable). While the actual-cost method is most suitable to the Company's processes, it does result in wide swings from quarter to quarter in the cost of sales due to the "inventory allocation" effect (if more goods are produced in a quarter than are sold, there is a positive effect on the results; the reverse is true if more goods are sold than are produced).

Cost of sales consists principally of the costs of supplies, royalties, manufacturing labour and the allocation of fixed overheads.

Cost of sales		
Quarter ended	**July 31, 2023**	July 31, 2022
Revenues	**$1,753,902**	$2,070,014
Cost of sales[3]	**$597,798**	$655,080
Gross margin %	**66%**	68%

3- Includes related depreciation expense for the purposes of this presentation.

Any increase/decrease in gross margin relates to cost allocation (the level of transfer of salaries, supplies, royalties and overhead to inventory) rather than to a decrease/increase in the costs of materials or labour.

4.4.2 Research and Development Expenses

During the quarter ended July 31, 2023, research and development expenses totaled $158,682 compared to $132,138 in the same period year ago. The increase relates mainly to the DiaMaze® project.

Research and development (R&D) expenses consisted primarily of personnel expenses, laboratory supplies and external service providers.

4.4.3 Selling, General and Administrative Expenses

During the quarter-ended July 31, 2023, selling, general and administrative (SG&A) expenses totaled $772,217 compared to $596,242 in the same period year ago, resulting in an increase of $175,975, due mainly to the increase in professional fees ($68,474), in directors' fees ($29,273), and in the Profit-Sharing Plan accrual ($39,750) for the quarter.

4.4.4 Income Tax Expense (Recovery)

During the quarter ended July 31, 2022, income tax recovery totaled $1,867,020 for the quarter compared to an income tax expense of $712,228 in the same period year ago due to the recognition of previously unrecognized tax assets. The income tax expense or recovery are mainly non-cash components having as counterpart the deferred income tax assets in the consolidated statements.

5 RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2023

5.1 Summary of Year Results

Earnings before income tax for the year ended July 31, 2023 were $2,017,814, a decrease of $368,809, tracing primarily to the decline in sales.

Net earnings for the year ended July 31, 2023 were $3,893,614 versus $1,674,395 last year. This increase of $2,219,219 is due to the recognition of previously unrecognized tax assets resulting in a decrease in the tax provision of $2,588,028 as well as a decrease in expenses of $31,939, offset by a decrease in revenues of $400,748.

The company recorded an EBITDA of $2,161,702, versus $2,760,885 in Fiscal 2022, a decrease of $599,183 as a result mainly of lower revenues.

Net earnings		
Year ended	**July 31, 2023**	July 31, 2022
Revenues	**$7,491,739**	$7,892,487
Total expenses before income taxes	**$5,473,925**	$5,505,864
Earnings before income taxes	**$2,017,814**	$2,386,623
Income tax expense / (recovery)	**($1,875,800)**	$712,228
Net earnings	**$3,893,614**	$1,674,395
Earnings per share, basic	**$0.16**	$0.07
Earnings per share, diluted	**$0.15**	$0.06

5.2 Foreign Exchange

The table below shows the fluctuation in the Canadian/US dollar exchange rates, which can have a significant impact on the Company's results. As mentioned in section 4.2, average rates are used to translate revenues and expenses for the period mentioned; closing rates are used to translate assets and liabilities of foreign operations, as well as monetary assets and liabilities at the end of the reporting period.

Consolidated cumulative foreign exchange loss / (gain)		
Year ended	**July 31, 2023**	July 31, 2022
Balance sheet revaluation		
● US Cash	**$88,791**	($46,343)
● US Trade receivables	**$13,760**	$16,643
● Other US accounts	**($10,300)**	($29,405)
Total loss / (gain) on revaluation	**$92,251**	($59,105)

Canadian/US dollar		
Year ended	**July 31, 2023**	July 31, 2022
Average rate	**1.3428**	1.2692
Closing rate	**1.3177**	1.2824

For a more detailed explanation of the foreign exchange impact, see Risks and Uncertainties in section 8.9.

5.3 Revenues for the Year

Revenues for the year ended July 31, 2023 totaled $7,491,739 compared to $7,892,487 for the same period year ago, a decrease of $400,748 due to clients working off COVID related inventory buildup in Fiscal 2022. The decrease in revenues due mainly to a volume decrease of $929,621 (US$692,300), is partially offset by a positive currency effect of $479,990.

Revenues Variations – Year ended	July 31, 2023 Vs. July 31, 2022
Volume/mix impact:	
• Decrease due to volume USD	($692,300)
• Increase due to product mix USD	$36,403
Total decrease due to volume/mix USD	($655,897)
Currency impact:	
• Total decrease due to volume/mix CAD	($880,738)
• Currency positive effect in CAD	$479,990
• Total decrease in CAD	($400,748)

5.4 Total Expenses for the Year

Although operating expenses for the year ended July 31, 2023 increased by $386,243 to $6,011,160, mainly due to higher R&D and SG&A costs offset by lower cost of sales, total expenses before tax decreased by $31,939, due to an increase in SRED tax credits and higher interest income on our cash balances.

Expense details		
Year ended	**July 31, 2023**	July 31, 2022
Cost of sales[4]	**$2,154,896**	$2,403,884
R&D expenses[4]	**$659,564**	$341,850
SG&A expenses[4]	**$2,759,645**	$2,509,250
Depreciation of PPE	**$171,444**	$149,214
Depreciation of right-of-use assets	**$265,611**	$220,719
Operating Expenses	**$6,011,160**	**$5,624,917**
Foreign exchange loss / (gain)	**$92,251**	($59,105)
Financial expenses - net	**($262,428)**	$29,709
Other income	**($367,058)**	($89,657)
Total expenses	**$5,473,925**	**$5,505,864**

4- Excludes related depreciation expense for the purposes of this presentation.

5.4.1 Cost of Sales

Cost of sales consists primarily of supplies, royalties, manufacturing labour and the allocation of fixed overheads. For further explanation on the determination of the cost of sales, see section 4.4.1 above.

Cost of sales		
Year ended	**July 31, 2023**	July 31, 2022
Revenues	**7,491,739**	7,892,487
Cost of sales[5]	**2,291,730**	2,534,284
Gross margin %	**69%**	68%

5- Includes related depreciation expense for the purposes of this presentation.

Any increase/decrease in gross margin relates to cost allocation (the level of transfer of salaries, supplies, royalties and overheads to inventory) rather than to a decrease/increase in the costs of materials or labour.

5.4.2 Research and Development Expenses

Research and development (R&D) expenses for the year ended July 31, 2023 totaled $659,564 compared to $341,850 for the same period year ago. The increase of $317,714 is mainly due to the DiaMaze® development program.

5.4.3 Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses for the year ended July 31, 2023 totaled $2,759,645 compared to $2,509,250 for the same period year ago. This increase of $250,395 is mainly due to an increase in professional fees ($191,167), salaries & benefits ($101,840), directors' fees ($144,421), and travel ($27,388), offset by a decrease in stock-based compensation expense ($162,051) and lower consultant fees ($105,168).

5.4.4 Income Tax Expense (Recovery)

Income tax recovery totaled $1,875,800 compared to an income tax expense of $712,228 for the same period year ago due to the recognition of previously unrecognized tax assets. The income tax expense or recovery is mainly a non-cash component having as counterpart the deferred income tax assets in the consolidated statements.

6 LIQUIDITY AND CAPITAL RESOURCES

6.1 Overview

Liquidity risk is the potential risk that the Company will not be able to meet its financial liabilities when due. The Company's financial liabilities include its accounts payable and accrued liabilities presented on the consolidated statement of financial position, which are due within the next 12 months. The Company manages liquidity risk by maintaining adequate cash balances to discharge its liabilities when due.

As at July 31, 2023, the Company's net working capital increased by $1,155,431 to $8,429,764 from July 31, 2022 and cash and cash equivalents increased by $905,991 to $8,574,043.

As at:	**July 31, 2023**	April 30, 2023	January 31, 2023	October 31, 2022	July 31, 2022
Cash and cash equivalents	**$8,547,043**	$7,518,058	$7,489,644	$8,159,406	$7,641,052
Net working capital	**$8,429,764**	$8,394,049	$7,512,075	$7,842,235	$7,274,333

Management believes that the Company has sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

6.2 Contractual Obligations

Contractual obligations are operating lease commitments.

(in thousands of dollars)	Year ending July 31, 2023				
	Total	2024	2025	2026	2027+
Contractual obligations	$1,925	$283	$291	$293	$1,058

7 LOOKING FORWARD

As always, the future financial results of the Company are difficult to predict as the Company's customers have significant variations in their purchasing patterns, as can be seen from our quarterly results over the past few years.

COVID 19 had a significant impact, as customers increased their purchases in F2022 for fear of supply chain interruptions. Our sales softened somewhat as some of those customers worked off those inventories in F2023.

On a positive note, our largest market (hemostasis) continues to grow at a rapid pace which we expect to continue into F2024. Customers in other markets appear to be working off their inventory cushion, which may have an impact in F2024.

The Company continues to work on a number of new heparinase-containing clinical device projects with its key customers. However, as with all developmental projects, we cannot give assurances that any of these customer-driven projects will come to market and produce significant revenues.

Development of DiaMaze® (diamine oxidase) continues to advance. DiaMaze® is an enzyme targeted to persons suffering from histamine intolerance and will be marketed as a nutraceutical. We continue to make good progress in the development of a commercial scale manufacturing process. The next critical development steps will be selecting a manufacturer for commercial product, and conducting toxicology studies which, if undertaken, will increase R&D expenses in fiscal 2025.

8 RISKS AND UNCERTAINTIES

The results of operations and financial condition of the Company are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of Management.

8.1 Dependence on Key Customers

IBEX is highly dependent on a few key customers. A change in their needs due to changes in technology, production efficiencies or market demand can have a significant effect on the profitability of the Company.

8.2 Market Demand

IBEX products are sold primarily to clinical device manufacturers, as well as pharmaceutical companies making heparin and university researchers. IBEX is dependent on successful marketing by device manufacturers. A decrease in demand for such products could have a material adverse effect on the Company.

8.3 Regulatory Approval

Since IBEX produces reagents for medical devices the Company is not the manufacturing of record for the end-product and therefore the cost of regulatory compliance, while not insignificant, is manageable within the context of the Company's turnover. However, there is no guarantee that this may not change in the future. Any such changes might have the effect of significantly increasing the cost of doing business for IBEX.

8.4 Competition

The impact of competition from other companies developing novel heparin reversal agents may negatively affect IBEX's anticipated revenue streams. Certain of the companies which could be considered IBEX's competitors have substantially more financial and technical resources, more extensive research and development capabilities and greater marketing, distribution, production and human resources than does IBEX.

8.5 Financial Resources

IBEX has limited financial resources and limited opportunities to raise additional capital should the occasion warrant. There can be no assurance that IBEX will be able to improve or maintain a positive cash flow if events in the marketplace change materially.

8.6 Reliance on Key Personnel

IBEX relies upon a small staff of key employees who possess the knowledge and expertise to continue the Company's operations. There is no assurance that the Company will be able to retain its key personnel, or readily replace those who may leave.

8.7 Contingencies

In the normal course of operations, claims may arise against the Company with respect to products which have been sold in the past. The Company recognizes liabilities for such contingencies when management determines that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company is currently not party to any such litigation proceedings which might have a material adverse effect on its results of operations or financial position.

8.8 Foreign Exchange Risks

The Company is exposed to currency risks due to its export of goods manufactured in Canada. A change in the currency exchange rate between the Canadian dollar and the US dollar could have a material effect on its consolidated results of operations, financial position or cash flows. From time to time, the Company mitigates such risks by using foreign exchange forward contracts to hedge contracted net cash inflows and outflows of U.S. dollars. On May 2, 2023, May 31, 2023, and October 12, 2023 the Company entered into forward foreign exchange contracts under which it has undertaken to sell a total of $2,250,000 USD to Canadian dollars at future dates, at varying rates, to October 2024.

As mentioned above, the Company is exposed to foreign exchange risk primarily as a result of revenues denominated in US dollars. Monetary balances denominated in foreign currencies as at July 31, 2023 and July 31, 2022 were as follows:

	July 31, 2023		July 31, 2022	
	CA$	US$	CA$	US$
Cash and cash equivalents	**1,782,840**	**1,352,994**	1,240,539	967,357
Trade and other receivables	**847,086**	**642,852**	869,244	677,826
Trade and other payables	**36,704**	**27,854**	44,265	34,517

8.9 Interest Rate Risk

The Company no longer has an interest rate risk since the long-term debt was repaid in June 2020.

8.10 Credit Risk

Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents, as well as trade and other receivables. Cash and cash equivalents consist of bank balances and money market funds maintained at financial institutions with high credit ratings. Therefore, the Company considers the risk of non-performance for cash and cash equivalents to be low.

The aging of trade accounts receivable as at July 31, 2023 was as follows:

	CA$	%
Current	853,031	95
Past due 31-90 days	49,414	5
Past due over 90 days	-	-
	902,445	100

The Company's exposure to credit risk for trade accounts receivable for customers with greater than 10% of the total balance was as follows:

	July 31, 2023 %	July 31, 2022 %
Customer 1	**75**	64
Customer 2	**11**	25

8.11 Fair Value of Financial Instruments

The Company has evaluated the fair value of its financial instruments based on the current interest rate environment, related market values and current pricing of financial instruments with comparable terms. The carrying value of its financial instruments is considered to approximate fair value.

The Company categorizes its financial instruments according to three hierarchical levels:

Level 1 - Measurement based on quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - Valuation techniques based primarily on observable market data; and

Level 3 - Valuation techniques not based primarily on observable market data.

As at July 31, 2023 and 2022, there are no financial instruments that were accounted for using fair value.

8.12 Information technology systems

The Company depends on information technology systems ("IT systems") to manage numerous aspects of our business transactions and to provide complete and reliable information to management. Our IT systems are an essential component of our business and growth strategies, and obsolescence of or a serious disruption to our IT systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power outage or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, cyberattacks, computer viruses and laws and regulations necessitating mandatory upgrades and timelines with which we may not be able to comply. Any serious disruption could adversely affect our operations, our competitive position and/or reputation, and could lead to claims that could have an adverse effect on profitability.

9 RELATED PARTY TRANSACTIONS

During the years ended July 31, 2023 and 2022, other than the transactions and amounts described in Note 9 in our audited consolidated financial statements, the Company did not have any other related party transactions.

10 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the estimated useful life of assets, the valuation of long-lived assets, and the valuation of tax attributes. It is possible that actual results could differ from those estimates, and such differences could be material. Estimates are reviewed periodically and, as adjustments become necessary, they are reported in the consolidated statement of loss and comprehensive loss in the period in which they become known. We have identified the following areas which we believe require management's most subjective judgments, often requiring the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods.

10.1 Valuation of Unrecognized Tax Attributes

Periodically, judgment is required in determining whether deferred income tax assets are recognized on the statement of financial position. Deferred income tax assets require management to assess the probability that the Company will generate taxable profits in future periods in order to utilize deferred income tax assets. Once the evaluation is completed, if the Company believes that it is probable that some portion of deferred income tax assets will be realized, a deferred income tax asset is recognized on the balance sheet. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit its ability to obtain tax deductions in future periods.

Management judgment is required in determining whether a deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries. Judgment is necessary in assessing management's intentions about the reinvestment of undistributed profit in the foreseeable future. Estimates on reinvestments are based on forecasts and on estimates of financial requirements of both the Company and its subsidiaries. To the extent that future results and financial requirements differ significantly from estimates, the deferred income tax liability provided on temporary differences arising from investments in subsidiaries recorded at the reporting date could be impacted.

10.2 Impairment of Non-Financial Assets

Assets are reviewed for an indication of impairment at each statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable and when criteria of assets held for sale are met. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and current, historical or projected losses that demonstrate continuing losses, decrease in market capitalization and deferral of capital investments.

The Company's recoverable amount measurement with respect to the carrying amount of non-financial assets are based on numerous assumptions and may differ significantly from actual recoverable amounts.

11 ACCOUNTING STANDARDS AND AMENDMENTS

A number of new standards or amendments to standards and interpretations will be effective for the fiscal year beginning August 1, 2023 or after. The Company does not expect that these new standards or amendments will have a significant impact on its consolidated financial statements.

12 NCIB

On July 17, 2023, the Company announced that the Toronto Stock Venture Exchange approved the renewal of the Normal Course Issuer Bid ("2024 NCIB") that was originally launched on July 29, 2022.

Under the terms of the 2024 NCIB, the Company may purchase for cancellation up to 1,500,000 common shares of the Company, which represented 10% of its public float as at July 14, 2023.

The new 2024 NCIB commenced on August 5, 2023 and will end on the earlier of August 4, 2024 or when the Company completes its maximum purchases under the NCIB. Furthermore, IBEX entered into an agreement with a broker to facilitate purchases of its common shares under the NCIB.

Under IBEX's automatic share purchase plan, the broker may purchase common shares, which would ordinarily not be permitted due to regulatory restrictions or self-imposed blackout periods. After year-end and as of the date of the financial statements, 64,600 shares were repurchased and cancelled for a total of $42,584 for the original 2023 NCIB and 114,400 shares have been repurchased for the 2024 NCIB for a total of $111,820.

13 OUTSTANDING SHARE DATA

13.1 Authorized

As at November 8, 2023, the Company's authorized capital stock consists of an unlimited number of:

- First preferred shares, cumulative, redeemable, issuable in series. The first series consisted of 150,000 shares, convertible into common shares at a rate of 188.68 voting common shares for each preferred share. All preferred shares were converted into common shares;
- Second preferred shares, cumulative, redeemable, convertible, issuable in series;
- Third preferred shares, issuable in series; and
- Common shares.

13.2 Issued and Outstanding

The following details the issued and outstanding equity securities of the Company.

13.2.1 Common Shares

As at November 8, 2023, the Company has 24,644,244 common shares outstanding.

13.2.2 Stock options

As at November 8, 2023, the Company has 1,615,000 stock options outstanding with exercise prices ranging from $0.14 to $0.48 and expiry dates ranging from April 2027 to December 2031.

As at November 8, 2023, on an if-converted basis, these stock options would result in the issuance of 1,615,000 additional common shares at an aggregate exercise price of $407,400.

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