



## **NORTHSTAR ANNOUNCES REFOCUSED EXPANSION PLANS**

***Refocused plans include further advancing its Empower Pilot Facility, fully delivering its Calgary Empower Facility, and reducing corporate costs***

VANCOUVER, British Columbia – May 31, 2022 – Northstar Clean Technologies Inc. (TSXV: ROOF, OTCQB: ROOOF) (“Northstar” or the “Company”), in an effort to reflect current market conditions and to create positive shareholder value, is pleased to announce the details of its refocused expansion plans following the review of its Phase 1 Expansion Program.

### **Phase 1 Expansion Program Project Financing Update**

The Company has recently completed a wide engagement of potential financing partners for its proposed Phase 1 Expansion Program in Calgary, Toronto, and the Pacific Northwest, anticipated to be strategically implemented over the next two years.

Indicative term sheets were sought for provision of both debt and equity. The expected funding was for \$50M, less anticipated government non-dilutive funding support, capable of supporting construction of the three facilities, plus operation of the Northstar business until the end of 2023, supporting ongoing organization capability and facility development.

The level of indicative support was substantial and included:

- Debt proposals from two Canadian commercial banks;
- Equity proposals from five Canadian investment banks;
- Project and full funding proposals from two Canadian infrastructure funds; and
- Full funding indicative proposals from two US infrastructure funds.

Although non-binding, these proposals, combined with anticipated government non-dilutive funding, highlight the potential for the full funding of the Company’s proposed Phase 1 Expansion Program.

However, given the current market condition, Northstar’s senior management, the board of directors of the Company (the “Board”) as well as the Board’s special finance committee have decided that financing the whole proposed Phase 1 Expansion Program would be unnecessarily dilutive and not in the best interests of the Company and its shareholders at this time.

Consequently, Northstar will focus its Phase 1 Expansion Program to:

- i) Advance the pilot facility in Delta, B.C. (“Empower Pilot Facility”);
- ii) Deliver its commercial scale up facility in Calgary, Alberta (the “Empower Calgary Facility”); and
- iii) Reduce Northstar’s corporate expenditures to provide further focus and financial support for items i) and ii) above.

Mr. Aidan Mills, President & CEO and Director, stated, “We have been delighted at the considerable interest from a range of strong potential financial partners to support our proposed \$50M three facility Phase 1 Expansion Program. However, in light of the current equity markets, we felt that this is an inappropriate time to fully fund the Phase 1 Expansion Program, as originally proposed. Therefore, as described above, we have refocused our expansion plans to significantly advance the Empower Pilot Facility in the short term, execute our flagship project, the Empower Calgary Facility, and ensure costs are focused on these projects with internal resources only.

### **Refocus deliverables**

The Company has decided to refocus on delivering shareholder value through the following three steps:

#### **1. Bringing the Empower Pilot Facility into commercial production**

- Secure its formal collection license to generate input revenue via tipping fees;
- Execute an off-take agreement for liquid asphalt production and commence sales of its liquid asphalt;
- Steadily increase production throughout Q3 2022 to a target level of 40 tonnes/day; and
- Further optimize the Empower Pilot Facility to enter commercial production of 50-75 tonnes/day by end of Q4 2022.

#### **2. Execute construction of the Empower Calgary Facility**

- Finalize site selection and identify a suitable long-term lease in an industrial area of Calgary, Alberta strategically located close to City of Calgary landfills;
- Execute a long term off-take agreement for 100% of its liquid asphalt production;
- Commence site permitting work at municipal and provincial levels of government;
- Place orders for long-lead capital equipment to secure guaranteed timeline and pricing on long lead items; and
- Complete key engineering studies prior to entering detailed engineering design.

#### **3. Reduce corporate costs**

- Business development activities for both Toronto and Pacific Northwest are anticipated to be continued using internal resources only and consulting support for these activities will be minimized.

- Potential site lease acquisitions, equipment pre-orders and feasibility studies for Toronto and Pacific Northwest have been deferred into 2023.
- Northstar consultant support, except for technical support for the Empower Pilot Facility and the Empower Calgary Facility, will be minimized.

### **Revised Near-Term Project Financing Update**

As outlined in the Q1 results, Northstar remains in a strong balance sheet position. This enables:

- Funding of capital requirements to further advance the Empower Pilot Facility production levels;
- Ordering of critical long lead items to maintain the timeline for the Empower Calgary Facility; and
- Completion of key engineering studies prior to entering detailed engineering design. We note that input to the engineering studies is supported by both customer feedback and operational learning from the Empower Pilot Facility.

Outside necessary expenditures, the Company anticipates focusing any additional funding on the Empower Calgary Facility. In addition to the anticipated non-dilutive government funding, discussions are ongoing regarding the refocused finance plan with the potential funding providers identified above. Considerable detailed commercial, legal, and technical due diligence has already been performed by all parties involved and execution with our preferred finance partners is expected to be timed to best benefit our expansion plans going forward. The Company continues to target a range of 50% to 60% of the capital required from non-equity sources, excluding anticipated government grants, with the overall objective of minimizing the need for equity capital to finance the Empower Calgary Facility.

### **Update on Government Non-Dilutive Funding Opportunities**

The Company continues to engage with federal, provincial, and municipal government funding agencies for grants and loans to support the construction of the Empower Calgary Facility. As previously announced on March 29, 2022, Alberta Innovates awarded the Company a \$200,000 grant for the Empower Calgary Facility's engineering costs. The Company has also applied for non-dilutive funding from several other well-known government agencies.

"We believe the focus on Calgary also provides reassurance to shareholders that Northstar is committed to the critical next step for an ESG company - the clear delivery of a commercial facility - prior to a broader Canada and North American rollout," said Mr. Mills. "Once this step is complete, we expect the technology, operations, revenue and return on investment to be clearly demonstrated, reducing the risk of unnecessary dilution at our current valuation. We are aligned with shareholders and the best interests of the Company and will continue to grow the business with both in mind."

“We have not stopped work on Toronto and the Pacific Northwest as we continue to engage local governments and customers regarding site locations, non-dilutive funding opportunities and supply and offtake discussions, however, we will be minimizing the costs to carry out these business development activities in the near-term which significantly reduces costs”, concluded Mr. Mills.

### **About Northstar**

Northstar Clean Technologies Inc. is a Vancouver-based clean technology company focused on the sustainable recovery and reprocessing of asphalt shingles. Northstar has developed a proprietary design process for taking discarded asphalt shingles, otherwise destined for already over-crowded landfills, and extracting the liquid asphalt, aggregate and fiber for usage in new hot mix asphalt, construction products and other industrial applications. Focused on the circular economy, Northstar plans to reprocess used or defective asphalt shingle waste back into its three primary components for reuse/resale at its Empower Pilot Facility in Delta, British Columbia. As an emerging innovator in sustainable processing, Northstar's mission is to be the leader in the recovery and reprocessing of asphalt shingles in North America, extracting the recovered components from asphalt shingles that would otherwise be sent to landfill.

For further information about Northstar, please visit [www.northstarcleantech.com](http://www.northstarcleantech.com).

### **On Behalf of the Board of Directors,**

Aidan Mills

President & CEO, Director

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### **Cautionary Statement on Forward-Looking Information**

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*This press release may contain forward-looking information within the meaning of applicable securities legislation, which forward-looking information reflects the Company's current expectations regarding future events. Forward-looking statements are often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions. Forward-looking statements in this press release include statements concerning the Company's refocused Phase 1 Expansion Program, the funding*

*composition, equity or otherwise, of the proposed Phase 1 Expansion Program, the Company's ability to increase shareholder value or fund its proposed Phase 1 Expansion Program, estimated production targets for each of the Empower Pilot Facility and Empower Calgary Facility, the Company's ability to enter into any necessary off-take agreements, the Company's belief that its products can enter the circular economy while diverting waste from landfills, and its projected project economics for its Empower Pilot Facility and Empower Calgary Facility. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of the Company as well as those risks and uncertainties which are more fully described under the heading "Risk Factors" in the final prospectus of the Company dated June 18, 2021 and in the Company's annual and quarterly management's discussion and analysis and other filings with the Canadian securities regulatory authorities under the Company's profile on SEDAR. The novel strain of coronavirus, COVID-19, and ongoing dispute between the sovereign state of Ukraine and Russia also pose risks that are currently indescribable and immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. The Company does not undertake any obligation to update such forward-looking information whether because of new information, future events or otherwise, except as expressly required by applicable law.*

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