NORTHSTAR
CLEAN TECHNOLOGIES

ANNUAL INFORMATION FORM

**FOR THE FINANCIAL YEAR ENDED
DECEMBER 31, 2022**

April 20, 2023

TABLE OF CONTENTS

ADVISORIES

In this AIF (as defined herein), unless otherwise specified or if the context otherwise requires, references to "we", "us", "our", "its", the "Company" or "Northstar" mean Northstar Clean Technologies Inc. The information in this AIF is stated as at April 20, 2023 unless otherwise indicated. For additional information and details, readers are referred to the reviewed consolidated financial statements for the period ended December 31, 2022 and notes that follow, as well as the accompanying annual MD&A, which are available on SEDAR (as defined herein).

Cautionary Statement Regarding Forward-Looking Information and Statements

This AIF contains forward-looking information and statements (collectively, "**forward-looking statements**"). These forward-looking statements relate to Northstar's current expectations, estimates and projections as to future events or Northstar's future performance and are provided to allow readers a better understanding of Northstar's business and prospects and may not be suitable for other purposes. All statements, other than statements of historical fact, may be considered forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in, or suggested by, such forward-looking statements. Northstar believes the expectations reflected in the forward-looking statements included in this AIF are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the Effective Date and are expressly qualified, in their entirety, by this cautionary statement. Northstar assumes no obligation to revise or update these statements except as required pursuant to applicable securities laws.

In particular, this AIF contains forward-looking statements pertaining to the following:

- the intentions, plans and future actions of the Company and its operations;
- anticipated cash requirements, proposed expenditures and other business expenses related to the Company;
- the Company's dependency on future financings on acceptable terms;
- the requirements for additional capital;
- the intention of the Company to develop its business and its operations;
- expectations with respect to the Company obtaining required licenses and permits;
- expectations with respect to future commodity prices, government regulations and future production costs and capacity;
- the Company's competitive position and the regulatory environment in which it operates; and
- the impact of the continuing COVID-19 pandemic and evolving Russia Ukraine conflict and their respective effects on the global economy.

With respect to forward-looking statements contained in this AIF, the Company has made assumptions regarding, among other things:

- the Company's access to adequate services and supplies;
- that laws, rules and regulatory requirements will be maintained;
- general business and economic conditions;
- the Company's ability to successfully execute its plans and intentions;
- the Company's ability to enter into supply and sale agreements on commercially reasonable terms;
- the availability of financing on reasonable terms;
- the Company's ability to successfully compete with market competition;
- the products and technology offered by the Company's competitors;

- that the Company's current relationships with our service providers, partners and other third parties will be maintained;
- the Company's ability to obtain and maintain financing on acceptable terms;
- the Company's ability to retain and attract key personnel and skilled staff; and
- the absence of material adverse changes in the waste management industry or Canadian or global economy, including as a result of the COVID-19 pandemic or the evolving Russia Ukraine conflict.

The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- the Company's limited operating history and, as such, its success being substantially dependent on its establishment as a new business venture;
- that the Company may not be able to obtain all necessary permits and approvals, governmental or otherwise, required to undertake production activities contemplated, or commence construction or operate facilities;
- that environmental laws and regulations may become more onerous;
- increased competition in the waste management industry;
- failure to obtain or maintain required regulatory approvals;
- evolving market and difficulty of evaluation of future prospects;
- the Company's reliance on management and key employees or personnel;
- changes in laws, regulations, and guidelines relating to the Company's business, including tax and accounting requirements;
- uncertainty about adverse changes in the economy, including those due to the continuing COVID-19 pandemic and evolving Russia Ukraine conflict;
- dilution as a result of future Common Share issuances;
- conflict of interests of the Company's directors and officers, as applicable;
- adverse impacts on the Company's reported results of operations as a result of adopting new accounting standards or interpretations;
- changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters; and
- other factors considered under "*Risk Factors*" in this AIF and other filings made by the Company with Canadian securities authorities.

The Company has included the above summary of assumptions and risks related to forward-looking statements contained in this AIF in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes.

Additional information on these and other factors is available in the reports filed by the Company with Canadian securities regulators and available on SEDAR. The forward-looking statements and information contained in this AIF are made as of the Effective Date.

Readers are cautioned that the preparation of financial statements in accordance with generally accepted accounting principles in Canada requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes. The information contained in this AIF, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Company. Readers are encouraged to carefully consider such factors.

Readers are also cautioned against placing undue reliance on forward-looking statements, which are given as of the date expressed in this AIF, or the MD&A disclosure incorporated by reference herein, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. The forward-looking

statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company undertakes no obligation to publicly update or revise any forward-looking statements in this AIF or the MD&A or other disclosure incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law.

Market and Industry Data

Unless otherwise indicated, information contained in this AIF concerning the Company's industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the Company's estimates are derived from publicly available information released by independent industry parties and third-party sources, as well as data from the Company's internal research, and knowledge of the waste management market and economy, and include assumptions made by the Company which Northstar management believes to be reasonable based on their knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this AIF is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Advisories – Cautionary Statement Regarding Forward-Looking Information and Statements*" and "*Risk Factors*".

Monetary References

Except as otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars and references to $ are to Canadian dollars. References to US$ are to United States dollars.

GLOSSARY OF TERMS

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended from time to time, including the regulations promulgated thereunder;

"**affiliate**" or "**associate**" when used to indicate a relationship with a person or company, has the meaning set forth in the *Securities Act* (British Columbia), as amended from time to time, including the regulations promulgated thereunder;

"**AIF**" means this Form 51-102F2 – *Annual Information Form* dated April 20, 2023, together with all schedules attached hereto;

"**Alberta Innovates**" means Alberta Innovates, a provincial Crown corporation and Alberta's largest research and innovation corporation

"**Audit Committee**" means the audit committee of the Company, as constituted from time to time;

"**BBA**" means BBA Engineering Ltd.;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time, including the regulations promulgated thereunder;

"**BCSC**" means the British Columbia Securities Commission;

"**Board**" means the board of directors of the Company, as constituted from time to time;

"**Brokering License**" has the meaning ascribed to that term under "*General Development of the Business of the Company – Three Year History – Fiscal 2022*";

"**Burgess**" has the meaning ascribed to that term under "*General Development of the Business of the Company – Three Year History – Fiscal 2021 – Trading and General Developments*";

"**Calgary Empower Facility**" means the planned expanded-capacity asphalt shingle reprocessing scale up facility in Calgary, Alberta;

"**Calgary Facility Lease**" means the long-term 15-year lease agreement between the Company and the Landlord for the selected site of the Calgary Empower Facility in Rocky View County, Alberta;

"**CEO**" means Chief Executive Officer;

"**CEM**" has the meaning ascribed to that term under "*Directors and Officers – Name, Occupation and Security Holding*";

"**CFO**" means Chief Financial Officer;

"**CO_2e**" means carbon dioxide equivalent;

"**Colas**" means Colas SA (XPAR:PE), a publicly traded company based in Paris, France focused on construction, recycling and maintenance of transportation infrastructure;

"**Colas Canada**" means Colas Canada Inc. a wholly owned subsidiary of Colas and the parent company of McAsphalt;

"**Common Shares**" means common shares in the capital of the Company, as constituted from time to time;

"**Company**" or "**Northstar**" means Northstar Clean Technologies Inc.;

"**Compensation Committee**" means the compensation committee of the Board, as constituted from time to time;

"**Computershare**" means Computershare Trust Company of Canada;

"**Conditional Development Permit**" has the meaning ascribed to that term under "*General Development of the Business of the Company – Three Year History – Fiscal 2022*";

"**COO**" means Chief Operating Officer;

"**CPO**" means the Canadian Patent Office;

"**CSA**" means the Canadian Securities Administrators;

"**CSE**" means the Canadian Securities Exchange;

"**CSO**" means Chief Sustainability Officer;

"**December 2022 Convertible Debentures**" has the meaning ascribed to that term under "*General Development of the Business of the Company – Three Year History – Fiscal 2022*";

"**Disclosure Committee**" mans the disclosure committee of the Company, as constituted from time to time;

"**DSUs**" means deferred share units of the Company;

"**DTC**" means the Depository Trust Company, a subsidiary of the Depository Trust & Clearing Corp. that manages the electronic clearing and settlement of publicly traded companies in the United States;

"EBITDA" means Earnings before interest, taxes, depreciation and amortization, which is a Non-GAAP financial measure and refers to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA should not be construed as alternatives to net income/loss determined in accordance with International Financial Reporting Standards ("IFRS"). EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company believes that EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

"**Effective Date**" means the effective date of this AIF, being April 20, 2023;

"**Emissions Reduction Alberta**" or "**ERA**" means an Alberta-based government entity funded by the Government of Alberta.

"**Empower (AmalCo)**" means Empower Environmental Solutions Ltd., a wholly-owned subsidiary of the Company that resulted from the Empower Amalgamation;

“**Empower Amalgamation**” means the three-cornered amalgamation of the Company, Empower (Original) and NewCo that completed on December 23, 2020, whereby, among other things, Empower (Original) and NewCo amalgamated pursuant to the provisions of the BCBCA to form Empower (AmalCo);

“**Empower Amalgamation Agreement**” means the amalgamation agreement dated August 5, 2020, as amended December 20, 2020, among the Company, Empower (Original) and NewCo which set out the terms and conditions of the Empower Amalgamation;

“**Empower Calgary**” means Empower Environmental Solutions Calgary Ltd., a wholly owned subsidiary of the Company that was incorporated pursuant to the provisions of the ABCA on January 18, 2022;

“**Empower Delta**” means Empower Environmental Solutions Ltd., and may refer to Empower (Original), Empower (AmalCo), or both, as the context requires;

“**Empower Exchange Ratio**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2020*”;

“**Empower Lease**” means the lease dated January 1, 2021 among Selarc Developments Ltd. as landlord, Empower Delta, as tenant, and Northstar, as indemnifier, for lands and the Empower Pilot Facility situated thereon located at 7046 Brown Street, Delta, British Columbia;

“**Empower Loan**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2020 – The Empower Loan*”;

“**Empower (Original)**” means Empower Environmental Solutions Ltd., a company incorporated under the laws of British Columbia on November 24, 2010;

“**Empower Pilot Facility**” the approximately 20,000 square foot asphalt shingle reprocessing and recovery facility located in Delta, British Columbia leased by Empower Delta pursuant to the Empower Lease;

“**Empower Pilot Facility Customer**” means the major international manufacturer engaged in the production of asphalt roofing systems that agreed to purchase 80 tonnes of liquid asphalt from the Company’s Empower Pilot Facility, announced on September 29, 2022;

“**Empower Pilot LCA**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2021 – Trading and General Developments*”;

“**Empower Shareholders**” means all of the former holders of the common shares of Empower (Original), as then constituted, immediately prior to the closing of the Empower Amalgamation;

“**Empower Toronto**” means Empower Environmental Solutions Toronto West Ltd., a wholly owned subsidiary of the Company incorporated pursuant to the provisions of the OBCA on January 20, 2022;

“**Empower Warrants**” means share purchase warrants of Empower (Original) which, following the Empower Amalgamation, became a right entitling the holder thereof to purchase Common Shares;

“**ERA Grant**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2022*”;

“**ESG**” means environment, social and governance;

“**FEED**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2022*”;

"**Final Prospectus**" means the final non-offering prospectus of the Company dated June 18, 2021, prepared in accordance with NI 41-101;

"**Governance Committee**" means the governance committee of the Company, as constituted from time to time;

"**Insider**" has the meaning ascribed to that term under TSXV Policy 1 – *Interpretation*;

"**Interest Conversion Price**" has the meaning ascribed to that term under "*General Development of the Business of the Company – Three Year History – Fiscal 2022*";

"**Lafarge**" means Lafarge Canada Inc., a wholly owned subsidiary of Holcim Limited;

"**Lafarge Off-Take Agreement**" has the meaning ascribed to that term under "*Description of Business of the Company – Production and Services – Outputs: Liquid Asphalt, Fibre, Aggregate*";

"**Landlord**" means MEP Developments Inc, part of the Mook Group of Companies, and landlord under the terms of the Calgary Facility Lease;

"**LCA**" means life-cycle assessment;

"**Manufacturers**" has the meaning ascribed to that term under "*Description of Business of the Company – Production and Services – Empower Pilot Facility Customers*";

"McAsphalt" means McAsphalt Industries Limited, a wholly owned subsidiary of Colas Canada;

"**McAsphalt Offtake Agreement**" has the meaning ascribed to that term under "*Description of Business of the Company – Production and Services – Outputs: Liquid Asphalt, Fibre, Aggregate*";

"**McAsphalt Offtake Term Sheet**" has the meaning ascribed to that term under "*General Development of the Business of the Company – Three Year History – Fiscal 2022*";

"**MD&A**" means management's discussion and analysis;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, of the CSA, as amended from time to time;

"**NATO**" means the North Atlantic Treaty Organization;

"**NewCo**" means 1257848 British Columbia Ltd., a company incorporated under the laws of British Columbia on July 20, 2020, which amalgamated and continued with Empower (Original) into Empower (AmalCo) pursuant to the Empower Amalgamation;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*, of the CSA, as amended from time to time;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* , of the CSA, as amended from time to time;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, of the CSA, as amended from time to time;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*, of the CSA, as amended from time to time;

“**Northstar Lease**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2019 – The Northstar Lease*”;

“**Northstar Private Placement**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2021 – Northstar Private Placement*”;

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time, including the regulations promulgated thereunder;

“**Omnibus Equity Incentive Plan**” means the omnibus equity incentive plan adopted by the Shareholders on December 15, 2021;

“**OTCQB**” means the Venture Market of the United States over-the-counter market;

“Patent” means the issued patent for the Company’s front-end technology for reprocessing asphalt shingles by the United States Patent and Trademark Office;

“**Person**” is to be construed broadly and includes any individual, company, partnership, joint venture, association, trust, trustee, executor, administrator, unincorporated association, governmental entity or other entity, whether or not having legal status;

“**Preferred Shares**” means preferred shares in the capital of the Company, as constituted from time to time;

“PSUs” means the performance share units of the Company;

“**Purchase Order**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2022*”;

“**RAS**” means ground asphalt shingle processed for recycling;

“Renewable U” means Renewable U Energy Inc.;

“**Renewable U Investment**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2022*”;

“**RFP**” means a Request for Proposal;

“RSUs” means the Restricted Share Units of the Company;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Shareholders**” means all of the former holders of the Common Share, from time to time;

“**Stock Options**” means stock options to acquire Common Shares;

“**Subscription Receipts**” means subscription receipts of the Company;

“**tpd**” means tonnes per day;

“**TSXV**” means the TSX Venture Exchange;

“**U.S. Customer**” has the meaning ascribed to that term under “*General Development of the Business of the Company – Three Year History – Fiscal 2022*”;

“**Units**” means units of the Company;

“**United States**” or “**U.S.**” means the United States of America and its territories and possessions;

“**USPTO**” means the United States Patent and Trademark Office;

“**VanCity**” means Vancity Community Investment Bank;

“**Warrants**” means Common Share purchase warrants of the Company; and

“**Wellington**” means Wellington Dupont Public Affairs.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the BCBCA on August 21, 2017 as “Blocktech Ventures Inc.” On August 13, 2018, the Company changed its name to “Northstar Venture Technologies Inc.” and on January 29, 2021 the Company changed its name to “Northstar Clean Technologies Inc.” The Company’s head office and its registered and records office is located at 7046 Brown Street, Delta, British Columbia, V4G 1G8.

The Common Shares are listed and trade on the TSXV under the symbol “ROOF” and on the OTCQB under the symbol “ROOOF”. The Warrants are listed and trade on the TSXV under the symbol “ROOF.WT”. The Company is a reporting issuer in Alberta, British Columbia, Manitoba, Ontario, Saskatchewan and the Yukon and files its continuous disclosure documents on SEDAR at www.sedar.com. The Company’s filings through SEDAR are not incorporated by reference in this AIF.

Intercorporate Relationships

The following table describes the Company’s material subsidiaries, their place of incorporation, continuance or formation, and the percentage of the outstanding voting securities beneficially owned, controlled or directed by the Company:

Name of Subsidiary	Percentage of Voting Securities Owned	Jurisdiction of Incorporation or Continuation
Empower Environmental Solutions Ltd.	100% (direct)	British Columbia
Empower Environmental Solutions Calgary Ltd.	100% (direct)	Alberta
Empower Environmental Solutions Toronto West Ltd.	100% (direct)	Ontario
1284041 BC Ltd.	100% (direct)	British Columbia

Empower Delta resulted from the Empower Amalgamation and continued under the BCBCA on December 23, 2020 under the name “Empower Environmental Solutions Ltd.”. Its predecessor, Empower (Original) was incorporated under the BCBCA on November 24, 2010 under the name “Empower Environmental Solutions Ltd.”.

Empower Calgary was incorporated under the ABCA under the name “Empower Environmental Solutions Calgary Ltd.” on January 18, 2022.

Empower Toronto was incorporated under the OBCA under the name “Empower Environmental Solutions Toronto West Ltd.” on January 20, 2022.

1284041 was incorporated under the BCBCA on January 15, 2021 under the name “1284041 BC Ltd.”

GENERAL DEVELOPMENT OF THE BUSINESS OF THE COMPANY

The Company had previously been engaged in a cryptocurrency business from the time of its incorporation, which the Company abandoned and subsequently liquidated its cryptocurrency business assets over the course of the second and third calendar quarters of 2019.

The Company entered into the Empower Amalgamation Agreement dated as of August 5, 2020 with Empower (Original) and NewCo. On December 23, 2020, the parties closed the Empower Amalgamation, whereby the Company acquired all of the common shares of Empower (Original) held by the Empower Shareholders in consideration for the issuance of an aggregate of 44,331,147 Common Shares. On the closing thereof, Empower (Original) amalgamated with NewCo to form Empower (AmalCo), a wholly-owned subsidiary of the Company, and the business of Empower (Original) became the business of the Company, being the commercialization of a proprietary process technology for the reprocessing of discarded asphalt shingles into their constituent parts of liquid asphalt , fiber/fiberglass and aggregates to be sold and used in asphalt pavement, shingle manufacturing, construction products, and other industrial applications. The closing of the Empower Amalgamation constituted a reverse takeover of the Company as defined in NI 51-102. See "*General Development of the Business of the Company – Three Year History – Fiscal 2020*" for more details.

Three Year History

A detailed description on the significant developments of the business of the Company during the last 3 fiscal years ended December 31st is set out below.

Fiscal 2019

The Company had previously been engaged in a cryptocurrency business from the time of its incorporation, which the Company abandoned and subsequently liquidated its cryptocurrency business assets over the course of the second and third calendar quarters of 2019.

The Northstar Lease

In connection with the Company's previous prior cryptocurrency business, the Company entered into a lease agreement dated September 11, 2018, between Golden Properties Ltd., as landlord, and the Company, as tenant, for approximately 2,301 square feet of office space located at 1111 West Hastings Street, Vancouver, British Columbia (the "**Northstar Lease**"). On March 27, 2019, the Company subleased the premises to Victory Square Technologies Inc. On February 24, 2020, the Company assigned the Northstar Lease and sublease to Westpro Machinery Inc. The Company does not have any ongoing obligations pursuant to the Northstar Lease, except that it remains liable under the Northstar Lease in the event of a default by the assignee. The term of the Northstar Lease expires on November 30, 2024.

Fiscal 2020

On August 5, 2020, as amended on December 20, 2020, the Company entered into the Empower Amalgamation Agreement with Empower (Original) and NewCo. The parties closed the Empower Amalgamation on December 23, 2020, whereby the Company acquired all of the common shares of Empower (Original) held by the Empower Shareholders in consideration for the issuance of an aggregate of 44,331,147 Common Shares. On the closing thereof, Empower (Original) amalgamated with NewCo to form a new wholly-owned subsidiary of the Company, Empower Delta, and the business of Empower (Original) became the business of the Company, being the commercialization of a proprietary process technology for the reprocessing of discarded asphalt shingles into their constituent parts of liquid asphalt, fiber/fiberglass and aggregates to be sold and used in asphalt pavement, shingle manufacturing, construction products, and other industrial applications.

The following is a summary of the key terms of the Empower Amalgamation Agreement:

- on the execution of the Empower Amalgamation Agreement, Northstar agreed to advance a secured bridge loan of $500,000 to Empower (Original);

- following the execution of the Empower Amalgamation Agreement, Empower (Original) agreed to give written notice to the holders of Empower stock options giving each holder 30 days to exercise such options, after which time such options and the Empower stock option plan would be terminated;

- it was a pre-closing covenant of Northstar that it would cancel an aggregate of 1,900,000 outstanding founders' shares such that, immediately prior to the Empower Amalgamation, Northstar would have 23,251,842 Common Shares issued and outstanding;

- it was a closing condition to the Empower Amalgamation that Empower (Original) demonstrate to Northstar proof of concept and the commercial viability of Empower (Original)'s proprietary process for the reprocessing of asphalt shingles at the Empower Pilot Facility, which could include, by way of example, the continuous running of the Empower Pilot Facility for a minimum of six continuous hours;

- at the effective time of the Empower Amalgamation, Northstar acquired 41,248,577 common shares in the capital of Empower (Original), being all of the issued and outstanding shares, from the Empower Shareholders, and each Empower Shareholder received consideration 1.0747 Common Shares for each one common share of Empower (Original) held (the "**Empower Exchange Ratio**"), for aggregate consideration of 44,331,147 Common Shares;

- all of the holders of Empower Warrants outstanding immediately prior to the effective time of the Empower Amalgamation were entitled to receive, on exercise of their Empower Warrants, that number of Common Shares as is equal to the number of common shares of Empower (Original) to which they were entitled upon exercise of the Empower Warrants held by them, adjusted for the Empower Exchange Ratio;

- concurrently with the closing of the Empower Amalgamation, Northstar and Empower agreed Northstar would complete a private placement of an aggregate of 700,000 Common Shares at a price of $0.15 per Common Share to be issued to a certain director nominee and a prospective consultant of Northstar;

- on the closing of the Empower Amalgamation, each of Gordon Johnson and Terry Charles were required to deposit 1,000,000 Common Shares pursuant to the terms of a performance escrow agreement;

- it was a post-closing covenant that, in the event that the Common Shares were not listed for trading on the TSXV or, alternatively, the CSE on or before March 31, 2021, then Northstar would issue, for no additional consideration, an additional 2,150,000 Common Shares pro rata to the holders of record of Common Shares immediately prior to the Empower Amalgamation; and

- on the closing of the Empower Amalgamation, Empower agreed to provide an indemnity in favour of the personal guarantors of the Empower Loan against their liabilities under their guarantees. See "*General Development of the Business of the Company – Three Year History – Fiscal 2020 – The Empower Loan*" below for more details.

The closing of the Empower Amalgamation constituted a reverse takeover of the Company by Empower (Original) as defined in NI 51-102.

The Empower Loan

Pursuant to a commitment letter dated June 1, 2017, as amended, and a demand promissory note dated October 26, 2017, VanCity advanced a loan of $1,500,000 (the "**Empower Loan**") to Empower (Original) which was secured by assets of Empower (Original) as well as the personal guarantees of certain related parties and Empower Shareholders. The purpose of the Empower Loan was to assist with purchase financing of capital equipment for the Empower Pilot Facility. The Empower Loan accrued interest at a variable rate of VanCity's prime rate plus 1.75%. In 2020, Empower (Original) failed to make certain scheduled payments under the Empower Loan and VanCity declared the loan to be in default and demanded payment of all principal and outstanding interest. Following negotiation with VanCity, on February 8, 2021, Empower Delta entered into a forbearance agreement with VanCity whereby the parties agreed that VanCity would forbear from collection efforts if Empower Delta repaid the loan in agreed instalments, with the final instalment due in December, 2021. As at December 31, 2021, the amount outstanding under the Empower Loan was $Nil.

Fiscal 2021

Northstar Private Placement

On March 25, 2021 and March 26, 2021, the Company completed a non-brokered private placement offering of 34,975,178 Subscription Receipts at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $12,241,312.30 (the "**Northstar Private Placement**"). The gross proceeds of the Northstar Private Placement were held in escrow by Computershare, as Subscription Receipt agent and, upon the issuance to the Company of the Receipt by the BCSC, Computershare released the proceeds of the Northstar Private Placement to the Company and each Subscription Receipt converted into one Unit. Each Unit consisted of one Common Share and one-half of one transferable Warrant. Each Warrant entitling the holder to purchase an additional Common Share at an exercise price of $0.50 per Common Share for a period of 2 years.

On June 18, 2021, the Company filed the Final Prospectus with the BCSC, as principal regulator. On June 22, 2021, the Company announced that it was issued the Receipt by the BCSC. Accordingly, the Company also announced the conversion of the 34,975,178 Subscription Receipts issued by the Company as part of the Northstar Private Placement. Upon the issuance of the Receipt, the net proceeds from the Northstar Private Placement of approximately $11,540,000 were released to the Company from escrow, and the Subscription Receipts were converted into Units. In addition, upon the issuance of the Receipt, an aggregate of 2,014,565 special Warrants of the Company issued to certain registrants in connection with the Northstar Private Placement were automatically converted into broker warrants, with each broker warrant entitling the holder to acquire one Unit at an exercise price of $0.35 per Unit for a period of two years from the date of issue.

Trading and General Developments

On July 9, 2021, the Company announced that the Common Shares and Warrants would commence trading on the TSXV at the opening of the market on July 13, 2021 under the symbols "ROOF" with respect to the Common Shares and "ROOF.WT" (symbol expiry June 22, 2023) with respect to the Warrants.

On July 13, 2021, the Company appointed Mr. Aidan Mills as CEO of the Company. Mr. Mills began effective immediately on a part-time basis and assumed the full role of CEO effective September 1, 2021. Mr. Neil Currie continued to serve in his role as CEO on an interim basis until the full transition occurred on September 1, 2021. The Company also announced the grant of 1,800,000 Stock Options to purchase 1,800,000 Common Shares of the Company to certain directors and officers of the Company. All of the Stock Options have an exercise price of $0.35 per Common Share, expire 5 years from the date of grant, and vest in four equal installments with the first installment of 25% vesting on the date that is three months after the date of grant and an additional 25% of the total number of Stock Options granted vesting on the last business day of each three-month period thereafter.

On July 21, 2021, the Company announced that small batch commissioning production from existing stockpiles of single-use asphalt shingles at the Empower Pilot Facility resulted in the successful separation of saleable end-use products of liquid asphalt, fibre and aggregate. Most notably, testing of the liquid asphalt at a third-party independent lab demonstrated the quality and penetration rate of the asphalt was well within the range of acceptability for sale to end-use customers and met the design specifications of the Empower Pilot Facility.

On July 27, 2021, the Company announced the engagement of Wellington to lead government engagement on the reduction of single-use asphalt shingle disposal into landfills across Canada. Wellington supports federal, provincial, and municipal engagement on the execution of Northstar's expansion plans across North America, in addition to evaluating various potential non-dilutive funding strategies, including government grants, to support expansion plans.

On August 17, 2021, the Company commenced an RFP process with a select short-list of engineering firms to undertake a detailed engineering study for the Company's first planned expansion facility in Canada, the Calgary Empower Facility.

On September 1, 2021, the Company completed the planned transition, which was previously announced on July 13, 2021, of Mr. Aidan Mills to full-time CEO, following the resignation of Mr. Neil Currie, Northstar's former CEO. Mr. Currie continues serve on the Board.

On October 1, 2021, the Company filed its application for its Common Shares to be cross traded on the OTCQB. On January 11, 2022, the Company commenced trading on the OTCQB in the United States under the ticker symbol "ROOOF".

On October 21, 2021, the Company completed commissioning runs at the Empower Pilot Facility. The commissioning successfully demonstrated the operation of the Company's proprietary process design technology, with the commissioning runs processing asphalt shingles into liquid asphalt, aggregate and fibre. The two weeks of commissioning runs were successful in identifying the areas of the process requiring additional optimization to move the Empower Pilot Facility to steady state production. The Company also completed the assessment of the three RFP submissions from the select short list of independent engineering firms for the detailed engineering design of the modular Calgary Empower Facility.

Following the RFP bid process, the Company and BBA jointly announced on November 1, 2021 that Northstar selected BBA as the engineering firm to complete the detailed independent engineering design of its future Calgary Empower Facility. In addition to this, BBA also agreed to provide Northstar ongoing engineering optimization support at both the Empower Pilot Facility and at the Company's planned future facilities, including the Calgary Empower Facility. The BBA engineered design sought to further scale and optimize the process to provide a simplified, turn-key operational facility that has the potential to be quickly placed into production in municipalities across Canada and the United States.

On November 9, 2021, the Company announced the positive results of an independent LCA (the "**Empower Pilot LCA**") completed by Burgess Environmental Ltd. ("**Burgess**") of selected performance indicators for the Company's Empower Pilot Facility. The Empower Pilot LCA found that the Empower Pilot Facility could potentially reduce CO_2e emissions by 60% compared to virgin liquid asphalt production and landfilling shingles. The Empower Pilot LCA assessed the impacts and benefits of reprocessing liquid asphalt shingles compared to the impacts and benefits of disposing discarded or defective asphalt shingles into landfill. The Empower Pilot LCA results: (i) confirmed the Empower Pilot Facility as a "circular", renewable industry solution with lower CO_2e emissions, (ii) estimated greenhouse gas emission savings of 121.94 kg of CO_2e per 1 tonne of asphalt shingle feedstock (assuming the Empower Pilot Facility operates five days per week and 52 weeks per year), and (iii) estimated CO_2e emission savings in the range of 1,500,000 kg to 3,000,000 kg of CO_2e per year (assuming the Empower Pilot Facility operates five days per week and 52 weeks per year) dependent on steady state production volume.

On December 16, 2021, the Company announced key strategic appointments to its senior management team. The appointments included the following: (i) Ms. Rosemary Pritchard as CFO, (ii) Mr. Allen Gervais as General Manager, Alberta, (iii) Mr. Dave Wood and Mrs. Tammy Wood each as General Manager, Ontario, and (iv) Mr. Steve Thomas as Senior Process Advisor. The Company also announced that Messrs. Gord Johnson and Terry Charles, formerly holding the roles of President and COO of Northstar, respectively, assumed new roles. Mr. Johnson assumed the role of Director of Business Development and Mr. Charles assumed the role of Director of Special Operations. Mr. Johnson continues to serve as a Director of the Company. Mr. Johnson and Mr. Charles continue to serve in their previous roles with Empower Delta as President and COO, respectively. Mr. Aidan Mills, CEO of Northstar, was also appointed President of Northstar. Jim Bird, a technical advisor to the Company, agreed to continue providing technical direction and leadership to the business. Mr. Carson Sedun transitioned from a part-time role of Director of Capital Markets to a full-time role of Director of Corporate Development. The Company also announced the grant of 400,000 Stock Options at an exercise price of $0.35 per Common Share for a five-year term and 875,000 Stock Options to consultants at an exercise price of $0.35 per Common Share for a three-year term. All of the Stock Options vest as to 25% on each of 6, 12, 18 and 24 months post issuance.

Fiscal 2022

On January 11, 2022, the Common Shares commenced trading on the OTCQB in the United States under the ticker symbol "ROOOF" and, in addition, the Common Shares became eligible for book-entry and depository services with DTC, a subsidiary of The Depository Trust & Clearing Corp.

On February 7, 2022, the Company announced the appointment of Ms. Kellie Johnston as CSO and General Counsel.

On February 17, 2022, the Company announced that it had initiated steady state production at the Empower Pilot Facility with the expectation that the facility will deliver throughput of asphalt shingles in the range of 10-20 tpd up to 4-5 days per week. It was also announced that the two primary output products (liquid asphalt and aggregate) were being produced exactly as designed, meeting the Company's end product specifications. The production of specification products enabled the Company to deliver samples of its reprocessed asphalt and aggregate to multiple road construction companies, shingle manufacturers, and other industry stakeholders. The samples enable detailed technical analysis to be carried out by a wide range of the Company's potential customers. Internal testing capability was also implemented at the Empower Pilot Facility, enabling the development of a quality assurance program for the Company's reprocessed products.

On March 3, 2022, the Company announced that as part of its commitment to quality, it received positive testing results from an independent third-party testing facility for two of its outputs, liquid asphalt and aggregate. These independent third-party test results for liquid asphalt and aggregate confirmed that these products meet the Company's end product specification objectives.

On March 17, 2022, the Company announced that the Board approved the selection of the City of Calgary, Alberta, Canada as the planned site location for the Calgary Empower Facility. Subsequently, on September 14, 2022, the Company announced a non-binding letter of intent to execute a long-term lease agreement at a property in Greater Calgary, Alberta and on February 24, 2023, the Company announced the signing of the Calgary Facility Lease for the selected site in Rocky View County in Greater Calgary for the planned Empower Calgary Facility.

On March 29, 2022, Northstar announced that it executed an investment agreement dated March 3, 2022, with Alberta Innovates, a provincial Crown corporation and Alberta's largest research and innovation corporation. Alberta Innovates reviewed Northstar's application and approved a total of $200,000 in funding towards the estimated $675,000 of direct engineering costs for its proposed Calgary Empower Facility. To date, the Company has received $100,000 of the $200,000 awarded by Alberta Innovates.

On March 31, 2022, Northstar announced that it had received a front-end engineering design ("**FEED**") from BBA for its proposed Calgary Empower Facility to be constructed in Calgary, Alberta. The FEED design outlined direct costs of $8.6 million, including equipment costs of $7.1 million and labour and materials of $1.5 million, and indirect costs of $1.2 million, totaling direct and indirect costs of $9.8 million. With a 20% contingency, the total capital cost estimate was approximately $11.75 million (the "**Initial Independent Capital Estimate**"). The Initial Independent Capital Estimate was prepared within the targeted nominal estimate accuracy of +/- 20% with deliverables developed to a level sufficient for supporting a Class 3/4 Pre-Feasibility estimate as defined in AACE International Recommended Practice No. 18R-97.

On April 1, 2022, Northstar announced the preliminary project economics results (the "**Initial Project Economics**") from its internal management-prepared economic analysis for its planned Calgary Empower Facility based on the

FEED design. Highlights include $7.6 million in estimated annual revenue per facility[1], $4.9 million in estimated annual gross profit per facility[1], and $4.0 million in potential annual EBITDA per facility[1 2]. Identified achievable targets for asphalt pricing, sustainability or 'green' premium, operational performance, carbon credit revenue, tipping fee revenue, and operating assumptions.

On May 26, 2022, Northstar announced the positive results of a second independent CO_2e LCA completed by Burgess for selected performance indicators for Northstar's planned Calgary Empower Facility. The second LCA demonstrated a potential 60% reduction in CO_2e emissions versus the base case of landfill and replacement with virgin production, based on the FEED design and detailed internal management-prepared financial analysis of the planned facility.

On May 31, 2022, Northstar announced the details of its refocused expansion plans following the review of its Phase 1 Expansion Program. The Company 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 following two years.

On July 4, 2022, Northstar announced the grant of an aggregate of 355,925 RSUs and 3,559,278 PSUs to officers and key employees of the Company in accordance with the Company's Omnibus Equity Incentive Plan. Each RSU and PSU represents the right to receive, once vested, one Common Share. The number of Common Share earned upon the vesting of the PSUs will be determined by the performance of each individual and will be subject to approval by the Board. The Company also announced that it granted an aggregate of 260,854 Stock Options to certain directors, officers, and employees at an exercise price of $0.35 per Common Share for a five-year term. All Stock Options vest as to one-third on each of March 31, 2023, 2024, and 2025.

On August 3, 2022, Northstar announced that it received its brokering license (the "**Brokering License**") from Metro Vancouver for collection of asphalt shingles and associated tipping fees at the Empower Pilot Facility.

On August 16, 2022, Northstar announced that it completed a non-brokered private placement for 1,250,000 Common Shares at $0.40 per Common Share with Renewable U for gross aggregate proceeds of $500,000.

On September 14, 2022, Northstar announced that it signed a non-binding letter of intent for a long-term 15-year lease for an industrial zoned property of 3.98 acres located in Greater Calgary for the Empower Calgary Facility.

On September 29, 2022, Northstar announced that it has signed a purchase order (the "**Purchase Order**") agreement with the Empower Pilot Facility Customer, a major international manufacturer engaged in the production of asphalt roofing systems. The Empower Pilot Facility Customer agreed to purchase 80 tonnes of liquid asphalt produced from the Empower Pilot Facility. As of the Effective Date, Northstar has yet to enter into a subsequent purchase agreement.

On October 4, 2022, Northstar announced a strategic partnership through the execution of a binding term sheet with Renewable U to fully fund Northstar's Phase 1 Expansion Program through financing of over $43,500,000, including the issuance of 4,875,000 Common shares to Renewable U at $0.40 per Common Share, secured three-year convertible debentures bearing interest at 6% annually convertible after year 2 at $0.50 per Common Share, debt of $36 million for three facilities at $12 million per facility, and the issuance of 4,500,000 non-transferrable purchase warrants to acquire Common Shares at a price of $0.60 per Common Share for a period of two years with

[1] Based on anticipated first full operational year in 2024.

[2] Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a Non-GAAP financial measure and refers to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA should not be construed as alternatives to net income/loss determined in accordance with International Financial Reporting Standards ("IFRS"). EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company believes that EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

an acceleration clause at $1.25 per Common Share. Northstar issued 625,000 Common Shares to Renewable U at $0.40 per Common Share for gross proceeds of $250,000 (collectively, the "**Renewable U Investment**"). As of the Effective Date, Northstar has yet to advance discussions with respect to the Renewable U Investment or close on any funds related thereto.

On October 6, 2022, Northstar announced the execution of a binding term sheet (the "**McAsphalt Offtake Term Sheet**") for a 5-year (with automatic 3-year renewal options) offtake agreement with McAsphalt, a wholly owned subsidiary of Colas Canada, whereby McAsphalt agreed to purchase, on an exclusive basis, 100% of the liquid asphalt production from the Calgary Empower Facility.

On November 8, 2022, Northstar announced it was issued a patent for the Company's front-end technology for reprocessing asphalt shingles by the USPTO. This patent is expected to remain in force until 2042. Subsequently, Northstar filed follow-on continuation patent applications with the USPTO. On September 29, 2022, Northstar filed a patent application with CPO and on February 1, 2023 received notice from CPO that the application would undergo advanced examination on the grounds that the application relates to green technology that either helps resolve or mitigate environmental impacts or conserves the natural environment or natural resources. The Company also filed a Patent Cooperation Treaty international patent application on February 24, 2023.

On November 17, 2022, Northstar announced the first collection of previously landfill bound asphalt shingles at the Empower Pilot Facility.

On November 23, 2022, Northstar announced the signing of a non-binding letter of intent with a major industrial customer (the "**U.S. Customer**"), where the U.S. Customer has the exclusive right to purchase recycled asphalt from one or more of Northstar's future facilities in the United States. In addition, Northstar and the U.S. Customer agreed to negotiate the purchase and sale of aggregate and fiberglass materials produced at Northstar's future facilities in the United States. The letter of intent outlines the intent of the Parties to enter into a definitive agreement, with a target completion in mid-2023 for an initial term of up to five years.

On December 15, 2022, Northstar closed a non-brokered private placement of non-transferrable unsecured convertible debentures (the "**December 2022 Convertible Debentures**") for an aggregate principal amount of $1,440,000. The December 2022 Convertible Debentures bear interest at a rate of 10% per year, paid semi-annually in arrears, and mature 36 months from the date of issue. The principal amount of the December 2022 Convertible Debentures may be converted, for no additional consideration, into Units at the option of the holder at any time after the date of issue at a conversion price of $0.25 per Unit. In addition, at the time of any conversion of the principal amount, the holder may also elect to convert accrued and outstanding interest into Units at a conversion price equal to the market price in effect on the conversion date (the "**Interest Conversion Price**"). Each Unit will consist of one Common Share and one-half of one non-transferable Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.35 per Common Share until the maturity date, which is 36 months from the date of issuance. The Company has the right to force the conversion of the principal amount and any accrued and unpaid Interest then outstanding on the December 2022 Convertible Debentures at the respective conversion price and Interest Conversion Price on not more than 60 days' and not less than 30 days' notice in the event that the daily volume weighted average trading price of the Common Shares on the TSXV is greater than $0.75 per Common Share for 10 consecutive trading days preceding such notice. Closing of the Convertible Debentures is subject to regulatory approval, including that of the TSXV. Insiders of the Company invested $315,000 in the December 2022 Convertible Debentures, which investment was considered a "related party transaction" within the meaning of MI 61-101. The issuance to the insiders of the December 2022 Convertible Debentures was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Common Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related party did not exceed 25% of the Company's market capitalization. In connection with the Offering, the Company paid finders fees in the aggregate amount of $39,300 and issued 157,200 non-transferable broker warrants to the finders, with each such broker warrant exercisable for a period of 36 months following the closing date and entitling the holder thereof to acquire one Share at an exercise price of $0.35 per Common Share.

Fiscal 2023

On January 30, 2023, Northstar announced that on January 20, 2023, the Landlord for Northstar's site for its Empower Calgary Facility near Calgary, Alberta received a conditional development permit (the "**Conditional Development Permit**") from Rocky View County, a municipal district in Alberta adjacent to the City of Calgary. The Conditional Development Permit was issued to the Landlord and includes standard conditions that need to be completed prior to issuance of a development permit.

On February 13, 2023, Northstar announced that Northstar's Empower Calgary Facility has been approved for a non-repayable government grant of up to approximately $7.1 million (the "**ERA Grant**") by Emissions Reduction Alberta, an Alberta-based government entity funded by the Government of Alberta. The lead applicant organization is Empower Calgary, a wholly owned subsidiary of Northstar, and the net proceeds received by the Company from the government grant will be used to further design, construct and commission the Empower Calgary Facility. ERA's funding approval is subject to timely written confirmation from Northstar that all other sources of funding for the Empower Calgary Facility have been secured, as well as the successful negotiation of a contribution agreement with ERA on terms satisfactory to ERA.

On February 14, 2023, Northstar announced that it has received a Notice of Advanced Examination from CPO dated February 1, 2023. The notice confirms approval by CPO of Northstar's request for advance examination of its patent application for the Company's innovative technology for reprocessing asphalt shingles on the grounds that the application relates to green technology that either helps resolve or mitigate environmental impacts or conserves the natural environment or natural resources.

On February 24, 2023, Northstar announced that, further to its announcement on the signing of a letter of intent for the lease on September 14, 2022, its wholly owned subsidiary Empower Calgary signed the Calgary Facility Lease; a long-term 15-year lease agreement with the Landlord for an industrial-zoned property of 3.98 acres located in Rocky View County, a municipal district adjacent to the City of Calgary, Alberta, as the site for the Company's Calgary Empower Facility. The Calgary Facility Lease is for an initial term of 15 years, with two extension options of five years each. The 125m x 125m site is strategically located just outside of metropolitan Calgary, easily accessed 4.4km southeast of the City of Calgary East Landfill. The Company can access the site starting July 1, 2023. The Calgary Facility Lease also allows for certain improvements to be made and financed under the lease at Northstar's discretion.

On February 28, 2023, Northstar announced the closing of a $625,000 non-brokered private placement of unsecured convertible debentures (the "**February 2023 Convertible Debentures**"). The terms of the February 2023 Convertible Debentures were identical to the December 2022 Convertible Debentures. Combining the total raised from the December 2022 Convertible Debentures and the February 2023 Convertible Debentures, the Company closed a total of $2,065,000, including an aggregate of $365,000 from Insiders of the Company. In connection with the sale of the February 2023 Convertible Debentures, Insiders invested $50,000 in the February 2023 Convertible Debentures, which was considered a "related party transaction" within the meaning of MI 61-101, which issuance was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Common Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related party did not exceed 25% of the Company's market capitalization.

On March 2, 2023, Northstar announced that, further to its announcement on October 6, 2022 regarding the McAsphalt Offtake Term Sheet, it has executed a definitive offtake agreement (the "**McAsphalt Offtake Agreement**") with McAsphalt, a wholly owned subsidiary of Colas Canada, for a five-year take-or-pay agreement whereby Northstar will sell and McAsphalt will buy, on an exclusive basis, 100% of liquid asphalt production from the Company's Calgary Empower Facility. The McAsphalt Offtake Agreement is subject to two conditions precedent:

(1) sufficient funding to build the facility, and (2) appropriate permitting having been received to build and operate the facility. The key commercial terms of the McAsphalt Offtake Agreement are unchanged from the McAsphalt Offtake Term Sheet, as previously announced by the Company on October 6, 2022. Due to commercial sensitivity reasons, a redacted copy of the McAsphalt Offtake Agreement has been filed on the Company's SEDAR profile at www.sedar.com.

On March 8, 2023, Northstar announced that several major domestic and international asphalt shingle and flat roofing manufacturers (collectively, the "**Manufacturers**") have successfully completed their detailed research and development testing of Northstar's liquid asphalt for use in asphalt shingles and flat roofing systems. As such, they will now commence product manufacturing and quality testing with Northstar's liquid asphalt. Manufacturing testing will test both the suitability of Northstar's liquid asphalt in the Manufacturers' production process, and the quality of the final products made using Northstar's liquid asphalt. The Company will continue to produce its liquid asphalt for manufacturing testing at the Empower Pilot Facility. Delivery of manufacturing test volume will therefore be the focus of the Empower Pilot Facility until Q3 2023.

On March 14, 2023, Northstar announced that it received an environmental awareness award from Waste Management Association of British Columbia.

On April 6, 2023, Northstar announced a non-brokered private placement of up to 13,333,333 units of the Company (the "**April 2023 Units**") at a purchase price of $0.15 per April 2023 Unit for aggregate gross proceeds of up to $2,000,000. Each April 2023 Unit will consist of one common share of the Company and one Common Share purchase warrant of the Company, with each such Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of $0.20 per Warrant Share for a period of 36 months following the closing date of the Private Placement, subject to an acceleration right whereby, if during the period beginning four months and one day after the Closing Date, the Common Shares trade on TSXV at or above a volume weighted average trading price of $0.75 per Common Share for a period of 10 consecutive trading days, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration) and, in such case, the Warrants will be deemed to have expired on the day which is 30 days after the date of such notice.

On April 14, 2023, Northstar announced the upsizing of its previously announced non-brokered private placement of April 2023 Units from up to $2.0 million to up to $2.3 million.

On April 19, 2023, Northstar closed its previously announced upsized non-brokered private placement of April 2023 Units with total gross proceeds raised of $2.73 million, increased from an initial $2.0 million. The Company issued 18,195,367 April 2023 Units at a purchase price of $0.15 per April 2023 Unit. The Company paid finders fees of $76,733 and issued 511,819 non-transferable broker warrants to the finders, with each such broker warrant exercisable for a period of 36 months following the initial closing date and entitling the holder thereof to acquire one share at an exercise price of $0.20 per share.

On April 20, 2023, Northstar announced its updated preliminary base case project economics (the "**Updated Project Economics**") for its 150 tpd base case scenario (the "**Base Case**") for the Empower Calgary Facility. The Company also announces an updated internal capital estimate for the Empower Calgary Facility (the "**Updated Internal Capital Estimate**"). The Updated Project Economics are based on a number of factors including critical lessons learned from operating the Empower Pilot Facility, and customer and critical equipment supplier feedback.

Key Operational Assumptions (Base Case – 150 tpd)[1]

	Initial Project Economics (Apr 2022)	**Updated Project Economics (Apr 2023)**
Hourly Processing Capacity	15 tonnes per hour	15 tonnes per hour
Operational Hours Per Day	10 hours per day	10 hours per day
Daily Processing Tonnage	150 tpd	150 tpd

Operational Days Per Week	5 days per week	6 days per week
Operational Days Per Month	20 days per month	24 days per month
Operational Months Per Year	11.5 months	11.5 months
Approximate Annual Feedstock Tonnage	34,200 tpa	41,400 tpa
Operational Capacity (Maximum)	95%	95%
Product Yield / Recovery	95%	95%
Approximate Asphalt Recovered	8,123 tpa	8,407 tpa
Approximate Fiber Recovered	8,123 tpa	9,341 tpa
Approximate Aggregate Recovered	16,245 tpa	19,616 tpa
Liquid Asphalt Composition	25%	22.5%
Fiber Composition	25%	25%
Aggregate Composition	50%	52.5%

Key Financial Metrics of the Updated Project Economics (Base Case – 150tpd)(1)(2)

	Initial Project Economics (Apr 2022)	Updated Project Economics (Apr 2023)
Revenue	$7.6 million	$9.7 million
COGS	$2.7 million	$3.3 million
Gross Profit	$4.9 million	$6.4 million
Facility Operating Overhead	$0.9 million	$1.1 million
EBITDA(2)	$4.0 million	$5.3 million

Key Financial Metrics of the Updated Project Economics (Per Tonne) (Base Case – 150 tpd)(1)(2)

	Initial Project Economics (Apr 2022)	Updated Project Economics (Apr 2023)
Revenue	$222 / tonne	$232 /tonne
COGS	$79 / tonne	$79 / tonne
Gross Profit	$144 / tonne	$153 / tonne
Facility Operating Overhead	$27 / tonne	$27 / tonne
EBITDA(2)	$116 / tonne	$127 / tonne

(1) The Initial Project Economics are based on the anticipated first full operational year expected in 2024. The Updated Project Economics are based on the anticipated first full operational year expected in 2025.

(2) Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a Non-GAAP financial measure and refers to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA should not be construed as alternatives to net income/loss determined in accordance with International Financial Reporting Standards ("IFRS"). EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company believes that EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

As part of the FEED, the Initial Independent Capital Estimate from BBA estimated capital expenditures to construct the Empower Calgary Facility of approximately $11.75 million. The Initial Independent Capital Estimate was prepared within the targeted nominal estimate accuracy of +/- 20% with deliverables developed to a level sufficient for supporting a Class 3/4 Pre-Feasibility estimate as defined in AACE International Recommended Practice No. 18R-97.

Since the Initial Independent Capital Estimate was completed by BBA in Q1 2022, the Company has continued to operate the Empower Pilot Facility and conducted significant testing for major international and domestic industry participants. The Company has completed the Updated Internal Capital Estimate of capital expenditures of approximately $15.0 million which incorporates learnings from the operation of the Empower Pilot Facility.

Capital Estimate Comparison

All figures below noted in C$ thousands.

Direct Costs		March 2022	April 2023
Equipment			
Plant and Yard Mechanical	Mechanical	$5,725	$8,696
	Electrical	$626	$1,026
	Automation / Telecommunications	$725	$725
Total Equipment		**$7,075**	**$10,447**
Labour and Materials			
	Civil	$137	$153
	Structural & Architectural	$185	$206
	Piping	$646	$718
	Electrical	$487	$487
	Automation / Telecommunications	$87	$87
Total Labour and Materials		$1,542	$1,651
Direct Costs Total		**$8,617**	**$12,098**
Indirect Costs			
Plant	Civil and Mechanical	$197	$300
Project Indirect Costs	EPCM and Commissioning Services	$980	$1,350
Indirect Costs Total		**$1,177**	**$1,650**
Direct Costs Total		**$8,617**	**$12,098**
Direct and Indirect Costs (excluding Contingency)		**$9,794**	**$13,749**
Contingency		**$1,957**	**$1,251**
Capital Cost Estimate - Grand Total (including Contingency)		**$11,750**	**$15,000**

The differences between the Initial Independent Capital Estimate prepared by BBA from March 2022 and the Updated Internal Capital Estimate from April 2023 are noted below:

Comparison of Initial Independent Capital Estimate (Mar-22) vs. Updated Internal Capital Estimate (Apr-23)

Initial Independent Capital Estimate (March 2022)	**$11,750**
Equipment Cost Changes	$2,197
Scope Changes	$666
Customer Scope Changes	$500
Other Indirect Changes	$332
USD Impact	$268
Reduction in Contingency	$705
Updated Internal Capital Estimate (April 2023)	**$15,000**

On October 4, 2022, Northstar announced a strategic partnership through the execution of a binding term sheet with Renewable U Renewable U to fully fund Northstar's Phase 1 Expansion Program through financing of over $43.5 million. The proceeds due to the Company from Renewable U were not received through Q4 2022. Following this, the Company felt it prudent to begin exploring alternate funding strategies to fund the Empower Calgary Facility. After further discussions with Renewable U, the Company has agreed with Renewable U that this transaction will not proceed. The Company announced it is in advanced stages with a number of alternative funding providers, including non-dilutive project debt funding and project equity funding for project level support.

On April 20, 2023, Northstar announced its 2022 annual results and filed its audited annual financial statements and management's discussion and analysis on SEDAR for the year ended December 31, 2022.

Significant Acquisitions

Northstar did not complete any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 – *Business Acquisition Report* of NI 51-102.

DESCRIPTION OF BUSINESS OF THE COMPANY

General

The Company had previously been engaged in a cryptocurrency business from the time of its incorporation, which the Company abandoned and subsequently liquidated its cryptocurrency business assets over the course of the second and third calendar quarters of 2019. Following completion of the Empower Amalgamation, the principal business of the Company has been the development and expansion of the business carried on by its wholly owned subsidiary Empower Delta.

Durability, versatility, and low cost make asphalt shingles the most popular roofing material across Canada and North America.[3] The same properties that make asphalt shingles a popular roofing material present significant challenges for disposal. The challenge is that approximately 1.5 million tonnes of single-use asphalt shingles (approximately 375,000 tonnes of asphalt oil based on 25% composition) or over 2.0 million barrels of oil are discarded into Canadian landfills annually.[4]

Northstar has developed a proprietary design process known as the Bitumen Extraction & Separation Technology or "BEST" technology, to break down the components of single-use asphalt shingles that would otherwise be sent to a landfill, into market quality products. The component parts of a shingle are approximately 50% aggregate, 25% fibre and 25% liquid asphalt. Once reprocessed, these three products can be used in a variety of applications, including road asphalt, new asphalt shingles, construction products, and other industrial applications. The Company hopes to be able to sell these components to paving companies, cement companies, roofing companies, shingle manufacturers and other industrial and construction product manufacturers, who will benefit from a supply of low carbon, reprocessed products. The Company's proprietary process was developed over the last decade with technical and scientific assistance from the United Kingdom and Alberta. The Company will reprocess used and defective asphalt shingles into their component parts for reuse/resale and thereby seek to eliminate their disposal in a landfill.

On March 3, 2022, the Company's clean technology patent process application was submitted to the USPTO for Tier 1 Fast Track patent review. On April 22, 2022, the Company received notification from the USPTO that Northstar's application met the requirements for prioritized examination for an original non-provisional Track 1 application. On November 8, 2022, Northstar announced it was issued a patent for the Company's front-end technology for reprocessing asphalt shingles by the USPTO. This patent is expected to remain in force until 2042. Further, Northstar has filed follow-on continuation patent applications with the USPTO and received notice in February 2023 from CPO that its application has been fast tracked. The Company has also filed a Patent Cooperation Treaty international application.

Stage of Development

Empower Pilot Facility

[3] *Which Residential Roofing Products Are Right for You?*, IKO Industries Ltd. (accessed May 3, 2022), online: https://www.iko.com/na/pro/building-professional-tools/roofing-101/buyers-guide-to-residential-roofing-materials/.
[4] Athena Sustainable Materials Institute, *Enhanced Recovery of Roofing Materials*, Prepared for Canadian Construction Innovation Council (January 2007), p. 3.

The Empower Pilot Facility is located at 7046 Brown Street, Delta British Columbia where the Company currently conducts its operations. The Empower Pilot Facility is located on a 4.23 acre property with a 20,000 square foot building. The site of the Empower Pilot Facility is ideal for the Company's operation, as it has a large yard which Northstar has designed for maximum throughput and is conveniently located for roofing companies, roofing contractors, and waste haulers throughout the Metro Vancouver area. The location of the Empower Pilot Facility has ample space with room for expansion as the business grows. The Company has leased the Empower Pilot Facility and surrounding lands pursuant to the Empower Lease for a period of five years from January 1, 2021 with an option to extend for an additional five years.

The Empower Pilot Facility represents the pilot phase of the proprietary BEST development process. Empower Delta (then Empower (Original)) began searching for an alternative to traditional RAS grinding and screening in 2010. Ground RAS can be used (on its own or in a blend with crushed concrete or asphalt) as a recycled granular base course or as a simple surface treatment for road construction. This recycling option is not only severely limited in terms of volume, it is not accepted for road use in several jurisdictions, and its value does not consider the value of the liquid asphalt in the RAS product. Empower (Original) and Lafarge, the largest user of RAS in hot mix asphalt in Western Canada, worked collaboratively to develop extraction technology until 2013. In 2013, Lafarge and Empower (Original) agreed that Empower (Original) would continue as the sole developer of the technology. In 2015, Empower (Original) built a test facility in Claresholm, Alberta to trial various separation methodologies. After establishing the framework of BEST, Empower (Original) moved to the current location at the Empower Pilot Facility in Delta, British Columbia to begin developing the Empower Pilot Facility technology in 2017.

In 2022, the Company initiated production at the Empower Pilot Facility which delivered significant results in several key areas:

1. **<u>Identifying Key Areas of Improvement:</u>** The lessons learned while operating the production process from input to output has enabled the Company to identify key areas of improvement in equipment performance, operating philosophy, process integration, and critical uptime and reliability criteria.

2. **<u>Feedback from Product Specification Analysis:</u>** The Company has developed the internal capability for product testing, has carried out testing through third party laboratories and has worked extensively with potential customers in the paving, shingle manufacturing, and roofing system manufacturing sectors to carry out product analysis. This feedback has contributed to performance improvements at the Empower Pilot Facility that the Company plans to incorporate into the design of its Calgary Empower Facility.

3. **<u>Engineering Development Work:</u>** The Company has continued the engineering design work on key elements of the Calgary Empower Facility with long lead manufacturing partners. Their feedback is now being incorporated into the equipment, operating philosophy and processing integration of the Empower Pilot Facility.

On September 29, 2022, Northstar announced that it had signed the Purchase Order agreement with the Empower Pilot Facility Customer. The Empower Pilot Facility Customer has agreed to purchase 80 tonnes of liquid asphalt produced from the Empower Pilot Facility. As of the Effective Date, Northstar has yet to enter into a subsequent purchase agreement.

On November 17, 2022, Northstar announced the first collection of previously landfill bound asphalt shingles at the Empower Pilot Facility.

Given the success of the detailed testing, research & development activities described above, the Company will now focus resources, including manpower, capital and G&A costs, on the Empower Calgary Facility. In order to conserve limited resources, the Company will not pursue additional investment in the Empower Pilot Facility and will now operate it as an "on demand" facility that is focused on providing partners and potential customers with product for R&D, manufacturing and product testing. The Company expects to operate the Empower Pilot Facility to supply major manufacturers (previously announced by the Company on March 8,2023) with the products necessary to complete manufacturing and testing during H1 2023 and on an ad-hoc, on demand, basis thereafter.

The Company has approximately 11,000 tonnes of shingle inventory stockpiled at the Empower Pilot Facility, and additional shingle feedstock will be sourced from an estimated 70,000 tonnes of asphalt shingle material which enters Metro Vancouver area landfills annually according to a 2012 report.[5]

Calgary Empower Facility

On March 17, 2022, the Company announced that the Board approved the selection of the City of Calgary, Alberta, Canada for the Calgary Empower Facility. Further to this, the Company announced on April 1, 2022 the results from the FEED design. On September 14, 2022, Northstar announced that it signed a non-binding letter of intent for a long-term 15-year lease for an industrial zoned property of 3.98 acres located in Greater Calgary and February 24, 2023, the Company entered into a lease agreement for the Calgary Empower Facility. Final site selection and other construction terms are subject to several factors, including local support and final approval by the Board. Upon securing financing and receiving required environmental and operating permits, the Company plans to begin construction on the Calgary Empower Facility. The Calgary Empower Facility is expected to operate under Empower Calgary and, in connection therewith, will require approximately 14 staff personnel to operate the facility.

On April 1, 2022, the Company announced the Initial Project Economics for the Calgary Empower Facility based on the FEED design and detailed internal management-prepared financial analysis of the planned facility. Highlights include \$7.6 million in estimated annual revenue per facility[7] , \$4.9 million in estimated annual gross profit per facility[7], and \$4.0 million in potential annual EBITDA per facility[6] [7]. On April 20, 2023, the Company announced the Updated Project Economics for the Calgary Empower Facility. Highlights included \$9.7 million in estimated annual revenue per facility[7], \$6.5 million in estimated annual gross profit per facility[7] and \$5.3 million in estimated potential annual EBITDA per facility[7] [8].

On October 6, 2022, the Company announced the execution of the McAsphalt Offtake Term Sheet for a 5-year (with automatic 3-year renewal options) take-or-pay offtake agreement with McAsphalt, whereby McAsphalt will purchase, on an exclusive basis, 100% of the liquid asphalt production from the Calgary Empower Facility. Subsequently, on March 2, 2023, Northstar announced the execution of the McAsphalt Offtake Agreement with McAsphalt. The key commercial terms of the contract remain unchanged from the original McAsphalt Offtake Term Sheet, as previously disclosed by the Company on October 6, 2022.

The goal of the Calgary Empower Facility is to fully de-risk the Northstar BEST process to the point of full commercial production. The objective of BBA's engineering design is to fully optimize and re-engineer, where necessary, the Empower Pilot Facility processes to improve throughput, operability, controllability, and maintainability for a capacity with a range of 150-200 tpd of asphalt shingle feedstock. In addition, the steps of the process are being reviewed against industry standards to ensure it is competitive without compromising the BEST solution developed at the Empower Pilot Facility. It is expected that the Calgary Empower Facility, while a fully engineered and commercial facility, will likely still require further engineered modifications to get to a fully optimized facility with maximum potential. The potential for increased efficiencies and optimization modifications (agreed as part of the

---

[5] Kane Consulting, *Market Analysis of Used Building Materials in Metro Vancouver*, Metro Vancouver (February 2012).

[6] Initial Project Economics are based on anticipated first full operational year in 2024. Updated Project Economics are based on anticipated first full operational year in 2025.

[7] Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a Non-GAAP financial measure and refers to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA should not be construed as alternatives to net income/loss determined in accordance with International Financial Reporting Standards ("IFRS"). EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company believes that EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

contractual relationship between Northstar and BBA) will be conducted on future facilities based on ongoing operational feedback.

The Calgary Empower Facility is expected to:

- divert 30,000 to 40,000 tonnes per year of asphalt shingles from the Calgary landfill;
- based on management estimates, require capital expenditures in the order of approximately $15 million (inclusive of a 10% contingency) plus associated costs. This capital program will provide local employment through construction hours; and
- provide employment for facility staff including two administrative roles and over ten site employees.

After an exhaustive internal geographic target market analysis conducted by the Company, the City of Calgary was chosen as the location for the Company's first scale-up facility for the following reasons:

- Calgary represents the strategic center of Canada's energy transition economy, including emissions reduction, carbon reduction, alternative feedstocks and recycling;
- the city has strong provincial, municipal, and community support for emissions reduction projects;
- the sophisticated government programs for energy transition projects;
- co-location with engineering expertise (e.g., BBA) and skill set (materials handling and hydrocarbon processing);
- co-location with Canada's major asphalt industry producers, intermediaries, and buyers;
- favorable long-term leasing rates for industrial land;
- abundance of suitable industrial land options located close to landfill(s);
- an estimated asphalt shingle supply of 30,000 to 40,000 tonnes per year;
- an abundance of highly skilled labour for engineering, materials handling and hydrocarbon processing; and
- a clear road map for non-dilutive project financing and government grants.

Future Potential Facilities

The Company intends to carefully examine future potential facility site locations for lease in 2023, in Ontario and possibly the Pacific Northwest in the United States, as it seeks to expand its operations. These potential facilities are currently in the planning phase. On November 23, 2022, Northstar announced the signing of a non-binding letter of intent with the U.S. Customer, where the U.S. Customer has the exclusive right to purchase recycled asphalt from one or more of Northstar's future facilities in the United States. In addition, Northstar and the U.S. Customer will negotiate the purchase and sale of aggregate and fiberglass materials produced at Northstar's future facilities in the United States. The letter of intent outlines the intent of Northstar and the U.S. Customer to enter into a definitive agreement, with a target completion in mid-2023 for an initial term of up to five years.

Production and Services

The Company's business model for reprocessing asphalt shingles involves generating revenue from both inputs (via tipping fees) and outputs (liquid asphalt, fibre and aggregate). The Company is also exploring the potential for generating revenue from carbon credits.

Bitumen Extraction & Separation Technology

The Company's BEST process takes asphalt shingles to its logical conclusion, complete disassembly of the shingle into its basic components of aggregate, fibre and liquid asphalt. The proprietary BEST process begins with grinding and screening of asphalt shingles to produce RAS. The RAS is then loaded into a bulk material hopper and moved by conveyor belt to the separation stage of the process where the aggregate, fibre and liquid asphalt are disassembled. Northstar's BEST process has none of the downsides of existing solutions for disposal of waste asphalt shingles. Extracting and separating the shingle into its constituent parts not only allows for full value to be extracted from each product stream, but it also completely avoids the operational challenges, such as low temperature cracking, that are present using RAS in hot mix asphalt, and most importantly, the BEST process can divert up to 100% of shingle waste from landfill.

Inputs: Discarded or Defective Asphalt Shingles

At the Empower Pilot Facility, the Company's business model involves processing discarded or defective asphalt shingles as input products. Used or defective asphalt shingles from manufacturers are expected to be collected by local roofing contractors and waste haulers and delivered to the Empower Pilot Facility or brought to the facility by shingle manufacturers. Our business model supports these companies' preference to pay Northstar, at a meaningful discount to landfill tipping fees, to dispose of their waste shingles sustainably rather than disposing of them in a landfill.

The Company currently has an estimated 11,000 tonnes of asphalt shingle feedstock at the Empower Pilot Facility, and additional feedstock will be sourced from an estimated 70,000 tonnes of asphalt shingle material which enters Metro Vancouver area landfills annually.[8] Northstar has had several discussions with roofing contractors and waste haulers, and although no formal supply agreements have been entered into as at the date of this AIF, we are currently collecting shingles at the Empower Pilot Facility. While the Company believes it will be able to secure sufficient asphalt shingle material to achieve its business plan based on discussions with industry stakeholders, there is no assurance it will be able to do so. See "*Risk Factors*" below for more details.

Tipping fees vary greatly between municipalities and regions. Based on public disclosure, municipal tipping fees, related to asphalt shingles for target cities are estimated as follows:

- Vancouver: $110 to $150 per tonne[9]
- Calgary: $113 per tonne[10]
- Toronto: $117 per tonne[11]
- Seattle (King County): US$165 per ton[12]
- Portland: US$140 per ton[13]

Outputs: Liquid Asphalt, Fibre, Aggregate

As part of Northstar's BEST process, the asphalt shingles are ground to a uniform size and screened to meet the size requirement of our feed system. Operators load the shingles using front end loaders into a shingle hopper and a conveyer belt transports the ground shingle material to a separation tank. The component materials are then segregated and further processed to achieve marketable products. The liquid asphalt is stored in heated tanks for delivery to customers. The aggregate and fibre are stockpiled at the location and sold separately.

Empower Pilot Facility Customers

---

[8] *Ibid*.
[9] *Vancouver Landfill and Recycling Depot*, City of Vancouver, online: https://vancouver.ca/home-property-development/landfill.aspx
[10] *Landfill rates*, City of Calgary, online: https://www.calgary.ca/waste/drop-off/landfill-rates.html
[11] *Fees for Drop-Off Depots*, City of Toronto, online: https://www.toronto.ca/services-payments/recycling-organics-garbage/drop-off-depots/fees-for-drop-off-depots/
[12] *Disposal Fees – solid waste, recycling, unsecured loads, and Cleanup LIFT discount*, King County, online: https://kingcounty.gov/depts/dnrp/solid-waste/facilities/disposal-fees.aspx
[13] *Metro Central: Garbage, recycling, hazardous waste disposal*, Oregon Metro, online: https://www.oregonmetro.gov/tools-living/garbage-and-recycling/garbage-recycling-hazardous-waste-disposal-portland

Northstar previously had entered into an offtake agreement (the "**Lafarge Off-Take Agreement**") with Lafarge for the Empower Pilot Facility that provided for further offtake agreements from two facilities developed by Northstar in Western Canada. The pricing under the Lafarge Off-Take Agreement was set at $300 per tonne for liquid asphalt for the first year, with a pricing renegotiation clause for future years. While Northstar, through its wholly owned subsidiary Empower Delta, originally agreed to supply liquid asphalt from the Empower Pilot Facility to Lafarge during the first year of commercial production, the agreement is no longer in effect.

On September 29, 2022, Northstar announced that it had signed the Purchase Order agreement with the Empower Pilot Facility Customer. Pursuant to the terms of the Purchase Order agreement, the Empower Pilot Facility Customer agreed to purchase 80 tonnes of liquid asphalt produced from the Empower Pilot Facility at an undisclosed rate based on current market pricing for liquid asphalt. The parties agreed a specification for the product for testing at the Empower Pilot Facility Customer's plant. The parties expect this testing to lead to a long-term offtake agreement for the Empower Pilot Facility and potentially other North American locations. As of the Effective Date, Northstar has yet to enter into a subsequent purchase agreement.

On March 8, 2023, Northstar announced that numerous major domestic and international asphalt shingle and flat roofing manufacturers successfully completed their detailed research and development testing of Northstar's liquid asphalt for use in asphalt shingles and flat roofing systems. They will now commence product manufacturing and quality testing with Northstar's liquid asphalt. Manufacturing testing will test both the suitability of Northstar's liquid asphalt in the Manufacturers' production process, and the quality of the final products made using Northstar's liquid asphalt.

Calgary Empower Facility Customer

On October 6, 2022, Northstar announced the execution of the McAsphalt Offtake Term Sheet for a 5-year (with automatic 3-year renewal options) take-or-pay binding offtake agreement with McAsphalt, a wholly owned subsidiary of Colas Canada, whereby McAsphalt will purchase, on an exclusive basis, 100% of the liquid asphalt production from the Calgary Empower Facility. On March 2, 2023, Northstar and McAsphalt announced the execution of the McAsphalt Offtake Agreement. The terms from the original McAsphalt Offtake Term Sheet and the McAsphalt Offtake Agreement did not change and include the following:

Term: Northstar and McAsphalt have agreed to a five-year term for the off-take agreement with automatic three-year renewal options, unless either of the Parties provides 180 days' written notice of its intention not to renew.

Pricing: The agreed terms of the sale price of the liquid asphalt is confidential due to commercial sensitivity reasons, but the pricing is market-based and includes the market index, a quality and locational differential, and a sustainability premium.

Risk Management: Risk management pricing is incorporated into the pricing mechanism.

Third Party Sales: Northstar and McAsphalt will have the ability to enter into third party sales agreements for the liquid asphalt product produced from the Empower Calgary Facility. The detailed terms of any third party sales are confidential.

Planning, Regulatory and Government Agency Support: McAsphalt will support Northstar in planning, regulatory and government agency engagement with respect to the Empower Calgary Facility.

Life-Cycle Assessment: The parties will work together to develop an additional life-cycle assessment for Northstar's proprietary clean technology.

Carbon Credits: The parties will work together on the development of a protocol to create carbon credits. Should carbon credits be created, the sustainability premium will be calculated based on the joint contribution to the protocol development.

Carbon Credits

The Company is exploring the opportunity to develop and monetize carbon credits. Currently, the Company has not identified how it may, if at all, develop and monetize carbon credits for its business model.

Fundamental Feedstock Availability and Diversion Benefits

The Company believes that the fundamental supply of asphalt shingle feedstock for the Northstar facilities is robust, given both the current volume of shingles disposed into North America wide municipal landfills and the primary position that shingles represent, being the roofing material of preference today and for the foreseeable future.

In addition to the feedstock supply, Northstar believes that the attraction to municipalities of providing a 100% diversion of asphalt shingles from landfill is an important consideration. One Northstar facility is expected to enable a municipality to divert up to approximately 40,000 tonnes of shingles per year away from landfill (each shingle comprising approximately 25% liquid asphalt is approximately 10,000 tonnes), avoiding the equivalent of depositing approximately 55,000 to 60,000 barrels of oil into municipal landfills.

Feedstock Market Fundamentals

The Company believes its business will appeal to roofing contractors, shingle manufacturers and waste haulers by enabling them to dispose of their used or manufacturers' waste shingles at the Empower Pilot Facility, at a meaningful discount to market rates for disposing of shingles in landfills, rather than paying higher fees to deposit the shingles in a landfill. The Company believes general global trends in sustainability will encourage groups such as these to seek alternatives to landfill disposal and to seek out environmentally friendly solutions. Once in commercial production, Northstar expects to be able to provide these alternative solutions through its BEST technology while also generating the "tipping fee" revenue that provides the raw material inputs for the Company's reprocessing needs. The Company's BEST technology reprocesses asphalt shingles into their individual component parts of liquid asphalt, aggregate and fibre, enabling resale of these components to paving companies, cement companies, roofing companies, shingle manufacturers and other industrial and construction product manufacturers, who can benefit from a supply of low carbon, reprocessed products. Furthermore, the growth potential for the venture is expected to be significant as the Company's facilities can be located in any large metropolitan area where asphalt shingles are present.

The Company believes the fact that roofing contractors and waste haulers must pay a tipping fee, at a price higher than the Company's proposed tipping fee, to deposit single-use asphalt shingles in landfills enhances the economics of Northstar's business and the price competitiveness of our end products. To encourage roofing contractors and waste haulers to provide their discarded shingles to the Empower Pilot Facility as feedstock, the Company intends to offer a discount to landfill tipping fees. These tipping fees are expected to supplement the Company's income from the sale of finished product.

Product Market Fundamentals

At the Calgary Empower Facility, the Company will sell its liquid asphalt product at market-based pricing, as announced in the McAsphalt Offtake Agreement and filed by the Company on its SEDAR profile at www.sedar.com. The pricing structure for liquid asphalt sales includes: (a) a market index price (the market price for virgin production at the closest location to the facility); (b) a locational adjustor (to reflect transportation distance from the location of the facility to the location of market index point); (c) a quality adjustor (any adjustment whether positive or negative for the quality of the product versus the virgin asphalt quality) and, (d) a sustainability premium (likely in two stages with the first stage reflecting the low carbon nature of Northstar's liquid asphalt versus virgin production and a second stage that could include the monetization of carbon credits, generated by the Northstar assets and included in the sale price of the liquid asphalt. This opportunity is currently being investigated by the Company. At present, the Company envisages that fibre and aggregate will be sold into local markets for market value.

In addition to the advantages of the Company's business model mentioned above, Northstar management believes that the fact that the liquid asphalt, aggregate and fibre products are reprocessed and available for entry into the circular economy will make them attractive to individuals, corporations and governments.

Market Analysis and Sales Strategy

The Company has defined its target markets and has differentiated itself by offering a unique solution to the challenge of disposal of asphalt shingles in landfills across North America by providing a clean technology that diverts asphalt shingles from landfill and reprocesses them for entry of the constituent parts into the circular economy. Most known asphalt shingle recovery solutions available involve grinding the shingles, and only a portion of the material is recoverable. We will offer one major service and major product. Northstar's major service will be to offer municipalities and roofing companies, roofing contractors and waste haulers an environmentally-friendly alternative to the disposal of single-use or defective asphalt shingle waste into landfill. The Company's major product will be the constituent products made from the discarded asphalt shingles for resale.

Asphalt pavement is one of North America's most widely used forms of road paving, accounting for over 90% of roads in the United States, Canada and Mexico according to the Virginia Asphalt Association.[14] According to the National Asphalt Paving Association, in the United States, there are 2.6 million miles of paved roads and approximately 94% of roads are surfaced with asphalt and there are approximately 3,500 asphalt plants in USA.[15]

Companies and consumers today are more conscious of their environment. There is a growing trend among consumers and municipalities to move away from disposing of shingles to landfills where they decompose over a long period of time and release toxins that impact the environment. The Company's goal is to be one of the first companies in Canada to collect and reprocess asphalt shingle waste for reuse in new asphalt, new shingles, construction products and other industrial applications, and emerge as a market leader in the reprocessing of asphalt shingles. The Company has developed a process design and reprocessing solution that it believes to be sustainable and will appeal to organizations and municipalities looking to reduce their environmental impact.

The Company will market its products to the identified key strategic customers using the management team's deep industry knowledge and connections. Securing contracts with roofers, waste haulers and waste management companies will be our initial sales priority.

The Company currently does not have a feedstock supply agreement in place for either the Empower Pilot Facility or the Calgary Empower Facility. The Company expects to source feedstock materials locally with local suppliers. The Company aims to sign one year rolling contracts for these feedstock suppliers and potentially sign an agreement with a national waste collection company.

The three primary output products from the Company's proprietary process for recycling asphalt shingles are the following: (1) liquid asphalt (25% of an asphalt shingle), (2) aggregate (or sand) (50% of an asphalt shingle), and (3) fibre (25% of an asphalt shingle, which used to be in the form of paper fiber but more recently is predominantly fibreglass today). Based on the Company's research, the estimated market prices for each product are the following:

- Destination Markets (Alberta/Ontario/Pacific Northwest) Asphalt Oil: \$400-\$1,000 per tonne[16]

[14] *Why Choose Asphalt?*, Virginia Asphalt Association (Accessed April 28, 2022), online: https://vaasphalt.org/asphalt-facts/why-choose-asphalt-2/.
[15] *Fast Facts*, National Asphalt Pavement Association (November 2, 2014), online: http://www.asphaltpavement.org.
[16] Based on management's internal estimates and understanding of local markets for the year 2022, sourced from weekly reports from Poten & Partners, "*Asphalt price for Alberta*", Asphalt Weekly Monitor.

- Fibre: $15 per tonne[17]
- Aggregate: $10 per tonne[18]

Regionally, selling prices for asphalt cement according to Poten & Partners' "*Weekly Asphalt Monitor"* for the week of December 12 to December 16, 2022 were the following:

- British Columbia: $800 to $850 per tonne
- Alberta: $850 to $875 per tonne

Regionally, selling prices for asphalt cement according to Argus "Americas Asphalt" report for the week of April 6, 2023 were the following:

- Toronto, Ontario: $850 to $950 per tonne
- Montreal, Quebec: $900 to $965 per tonne
- Seattle, Washington Area: US$525 to US$550 per ton
- Portland, Oregon Area: US$575 to US$600 per ton

Specialized Skills and Knowledge

The Company's BEST process requires specialized skills and knowledge. Such skills and knowledge include the areas of engineering and operations. To date, the Company has been successful in locating and retaining employees and consultants with such skills and knowledge and believes it will continue to be able to do so.

Competitive Conditions

To the Company's knowledge, there are no other companies currently operating in Canada with a nearly 100% shingle reprocessing process like Northstar's. There are only a few companies based in the United States, of which the Company is aware, that have a process similar to Northstar's. At present, there are no known Canadian or American competitors that are currently in commercial production.

While there are other companies in the shingle recovery (or RAS) business, they are focused on the collection and grinding of shingles, a portion of which can be used in hot mix asphalt. There are numerous shingle collectors that grind asphalt shingles (or RAS) in Canada, including several known shingle collectors: Intercity Recycling (Kelowna), Synchor Recycling (Calgary), ECCO Recycling (Calgary), Environmental Processors (Edmonton), Len's Hauling (Saskatchewan), Green Site Recycling (Winnipeg) and DTG Recycle (Washington State). Based on the Company's knowledge, these companies have not developed the technologies (see "*Description of Business of the Company – Intangible Property*" below for more details) nor have they established operations that reprocess asphalt shingles into their individual component parts of liquid asphalt, aggregate, and fibre.

In the United States there are several shingle recycling alternatives at various stages of commercial development, including Skyquarry and Asphaltica, that process RAS in various ways to increase its recycling value. Competitors to date do not operate in a way that is similar to our BEST process as, to the best of the Company's knowledge, these companies only grind shingles for use as a base material or in hot-mix asphalt.

Recycling options for asphalt roofing shingles are limited. Ground RAS can be used (on its own or in a blend with crushed concrete or asphalt) as a recycled granular base course or as a simple surface treatment for road construction. This recycling option is not only severely limited in terms of volume and use but also does not consider the value of the liquid asphalt.

---

[17] Based on management's understanding of local markets.
[18] *Ibid*.

Use of RAS in hot mix asphalt does account for both the liquid asphalt content and the aggregate content of the asphalt shingle. Prior to 2019, the City of Calgary and Alberta Transportation specifications permitted RAS to be added to hot mix asphalt pavement at a rate of <5%. Hot-mix asphalt producers were to assume the liquid asphalt from the RAS would blend with the added virgin liquid asphalt and thereby reduce the amount of virgin liquid asphalt used in road pavement. This process has clear economic and environmental benefits, however, difficulty in liberating the liquid asphalt from the RAS in a hot mix asphalt plant creates operational challenges. Both provincial and municipal levels of government identified issues with low temperature cracking and low effective asphalt content due to the above challenges, and in late 2018 banned the addition of RAS in City of Calgary and Alberta Transportation mix designs for use in provincial and municipal roads. Due to this change, the City of Calgary was forced to cancel its recycling collection program for sorted asphalt shingles and once again accept them as undifferentiated landfill waste.

In the United States, RAS use in hot mix asphalt remains more common than in Canada, however, only one million tonnes of waste asphalt shingles of the total waste of 13 million tonnes are recycled into asphalt road pavement.[19]

Northstar's BEST process extracts all the constituent products in a form that allows for high value reuse, at a sufficiently large quantity to be capable of 100% landfill diversion. The process for using RAS in hot mix asphalt requires the addition of ground asphalt shingles to the hot-mix asphalt. This process does not maximize the utility of all end products. As mentioned above, governmental transportation authorities have identified quality issues in hot mix asphalt with RAS due to difficulties in ensuring the liquid asphalt is released from the shingle and blended with the remaining asphalt. Using RAS as an additive for other granular base course is a low-cost way of diverting the RAS from landfill but does not recover any value from the liquid asphalt, aggregate or fibre. Neither RAS in hot mix asphalt or RAS in granular base course have enough volume to divert more than 5% of shingles from landfill and therefore do not represent an adequate solution to the current environmental problem of asphalt shingles in landfills.

Comparison of Alternative Technologies

Technology	Cost to Produce	Sales Value of End Products	Capable of 100% landfill diversion	Quality Control Challenges	Regulatory Acceptance
RAS in BEST	Medium	High	Yes	No	High
RAS in hot mix asphalt	Low	Medium	No	Yes	Low
RAS in granular base course	Low	Low	No	No	High

Source: Management of Northstar.

New Products

The Company is currently evaluating the possibility of incorporating carbon credits into its business model. However, the Company has not developed a method for monetizing carbon credits into its business model as a possible revenue stream as of the Effective Date.

Supply/Components

The Company's primary processing raw material is asphalt shingles. Potential suppliers of asphalt shingles to the Company include:

- Waste haulers (typically local markets)

[19] Adam Redling, *A closer look at RAP and RAS use in the U.S.*, Construction & Demolition Recycling (April 20, 2021), online: https://www.cdrecycler.com/article/rap-ras-napa-recycled-asphalt.

- Roofing contractors (typically local markets)
- Shingle manufacturers (typically national or regional markets)

Asphalt shingles are the most popular roofing material in North America, accounting for approximately 75% of single-family or detached homes. Durability, versatility, and low cost make asphalt shingles the most popular roofing material across North America.[20] At the Empower Pilot Facility, the Company has an existing stockpile on site of an estimated 11,000 tonnes of shingle feedstock supply. Based on a 2012 report, the market size in Metro Vancouver is approximately 70,000 tonnes per year.[21] The Company's business model for reprocessing asphalt shingles involves generating revenue, via tipping fees, for the acceptance of asphalt shingles at its facilities.

Regulatory Framework

Northstar's operations are subject to various Canadian federal, provincial and local laws affecting our business, including permitting, licensing and regulation regarding environmental matters, health, sanitation, safety, employment, fire, building codes and other matters in the provinces or municipalities in which the Company's facility is currently located and where new facilities may be located in the future. The Company believes that its internal management team and corporate policies are configured to keep Northstar's operations in material compliance with applicable federal, provincial and local laws, permits, orders and regulations, and that current operating and capital budgets are adequate to address future environmental costs although there can be no assurance in this regard. The Company anticipates that there will continue to be increased regulation, legislation and regulatory enforcement actions related to the waste services industry. As a result, Northstar hopes to attempt to anticipate future regulatory requirements and to plan accordingly to remain in compliance with the regulatory framework.

Generally, in Northstar's business, any activity that poses a risk of discharge or release of a contaminant into the environment requires appropriate provincial permits as well as compliance with applicable, and frequently changing, federal and provincial environmental legislation and regulations and municipal by-laws regarding zoning, land use, air emissions, noise, nuisance and wastewater discharge. The Company's current British Columbia operations are primarily regulated by provincial legislation, including the *Environmental Management Act* (British Columbia) and regulations. Federal statutes in Canada also govern certain aspects of waste management, including greenhouse gas emissions and international and interprovincial transport of certain kinds of waste. The expansion or establishment of Northstar's business across Canada may also be subject to additional provincial and/or federal environmental assessment requirements. Several Canadian provinces (including British Columbia) have enacted legislation to limit greenhouse gas emissions through requirements of specific controls, carbon levies, cap and trade programs or other measures. The Company continues to monitor the status of the various legislative initiatives going forward and the impact any such developments may have on our current and planned operations.

Many cities have enacted 'Zero Waste Initiatives' and are banning certain waste products from landfills. The challenge for most of them is that it is impractical to ban waste without the proper infrastructure in place to handle the waste in a sustainable manner. This holds true for asphalt shingle waste as well. According to the Government of Canada, municipalities are already seeking alternative means of disposal as disposal prices are expected to increase as landfill space decreases. Northstar's business is anticipated to solve this problem in relation to asphalt shingles for municipalities.[22]

The sustainability aspect of Northstar's business means that increased environmental regulation may result in new opportunities and have a net positive effect. In August 2018, 23 cities around the world, including London, New York City, Paris, San Francisco, Sydney, Tokyo, Dubai, Toronto and Vancouver, signed C40's "*Advancing Towards Zero Waste Declaration*", which is committed to significantly reduce the amount of waste generated by cities around the world. Since the initial declaration, over 75 global cities are now committed to the Advancing Towards Zero Waste

[20] *Supra*, note 1.
[21] *Supra*, note 3.
[22] *Municipal solid waste: a shared responsibility*, Government of Canada (January 28, 2022), online: https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/municipal-solid/shared-responsibility.html.

Declaration, representing over 800 million people and 27% of the world's economy from these 75+ cities. This declaration outlined two major commitments: reduce the municipal solid waste generated by each citizen by at least 15% by 2030 (compared to 2015) and reduce the amount of municipal solid waste disposed to landfill and incineration by at least 50% by 2030 (compared to 2015). Within this commitment, it was specifically stated to "increase reduction, reuse, recovery and recycling of construction and demolition materials."[23]

The City of Vancouver adopted a policy with the intent of becoming the greenest city in the world by 2020.[24] The Company has had discussions with Metro Vancouver which has proposed expanding the list of banned materials to include asphalt shingles within the next several years. According to Metro Vancouver, this is feasible, but the necessary infrastructure must be present and capable of handling the increased supply associated with banning materials before diverting them away from landfills. [25]

The Company is subject to provincial labour and employment laws that govern its relationship with employees, such as minimum wage requirements, overtime and working conditions and employment standards legislation. Each province in Canada also establishes and administers an occupational health and safety regime. These regimes generally identify the rights and responsibilities of employers, supervisors and workers. Employers are required to implement all prescribed safety requirements and to exercise reasonable care to protect employees from workplace hazards, among other things.

Licenses and Permits

The Company has been issued a business license from the City of Delta for its operations at the Empower Pilot Facility.

On August 3, 2022, the Company announced that its wholly-owned subsidiary Empower Delta received its brokering license from Metro Vancouver. The Brokering License allows Empower to handle recyclable material, specifically asphalt shingles, at its Empower Pilot Facility, and to collect 'tipping fees' on the deposit of "end of life" or "post consumer" asphalt shingles.

On January 30, 2023, the Company announced that the Landlord for the Calgary Empower Facility received approval for the Conditional Development Permit for the selected site in Rocky View County in Greater Calgary, Alberta. The Conditional Development Permit includes standard conditions that need to be completed prior to issuance of a development permit. The Company will provide an update to the market when the conditions have been met by the Mook Group of Companies and the Company. At this point in time, the Company is not aware of any additional required municipal permits in order to proceed with construction and production of the Calgary Empower Facility, in addition to collection of waste asphalt shingles in the Greater Calgary Area.

Economic Dependence

On October 6, 2022, Northstar announced the execution of McAsphalt Offtake Term Sheet for a 5-year (with automatic 3-year renewal options) take-or-pay offtake agreement with McAsphalt, whereby McAsphalt will purchase, on an exclusive basis, 100% of the liquid asphalt production from the Calgary Empower Facility. Northstar and McAsphalt have agreed to a five-year term for the off-take agreement with automatic three-year renewal options, unless either of the Parties provides 180 days' written notice of its intention not to renew. The McAsphalt Offtake Agreement was subsequently executed by Northstar and McAsphalt and announced by the Company on March 2, 2023. The key commercial terms were unchanged from the McAsphalt Offtake Term Sheet announced on

---

[23] *Advancing Towards Zero Waste Declaration*, C40 Cities Climate Leadership Group, Inc., (Accessed April 28, 2022), online: https://www.c40.org/declarations/zero-waste/.

[24] *Greenest City – 2020 Action Plan Part Two: 2015-2020*, City of Vancouver (2015), online: https://vancouver.ca/files/cov/greenest-city-2020-action-plan-2015-2020.pdf.

[25] Elizabeth Good, *Deconstruction of City-Owned Properties: North American Policy for Construction and Demolition Waste*, prepared for the City of Vancouver (April 9, 2015).

October 6, 2022. Due to commercial sensitivity, a redacted copy of the McAsphalt Offtake Agreement was filed on the Company's SEDAR issuer profile at www.sedar.com.

In February 2019, Empower Delta entered into the Lafarge Off-Take Agreement with Lafarge, whereby Lafarge agreed that once the Empower Pilot Facility reaches commercial production levels, it will purchase 100% of the liquid asphalt produced by the Company at the Empower Pilot Facility at a price of $300 per tonne for a one year period, after which time the parties may negotiate an extension. While Northstar, through its wholly owned subsidiary Empower Delta, originally agreed to supply liquid asphalt from the Empower Pilot Facility to Lafarge during the first year of commercial production, the agreement is no longer in effect. See "*Risk Factors – Reliance on a single partner for a significant portion of our revenue and future operations*" below for more information.

As at the date of this AIF, the Company does not have any formal sales and delivery agreements in place for aggregate or fibre, but continues to have discussions with industry stakeholders. See "*Risk Factors*" below for more details.

Changes to Contracts

As described under the headings "*Description of the Business – Outputs: Liquid Asphalt, Fibre, Aggregate*" and "*Description of the Business – Economic Dependence*", Northstar is party to the McAsphalt Off-Take Agreement.

See "*Description of the Business – Outputs: Liquid Asphalt, Fibre, Aggregate*" and "*Description of the Business – Economic Dependence*" for more information on the Lafarge Off-Take Agreement.

Intangible Property

The Company's "Bitumen Extraction and Separation Technology" or "BEST" is a proprietary process. In the third quarter and fourth quarter 2021, the Company engaged with a Canadian specialist patent law firm, Smart & Biggar LLP, to explore the possibility of patenting the Company's BEST design process. The law firm completed a preliminary patentability search and opinion regarding a process for recycling asphalt roofing shingles. The search did not locate a single reference which disclosed all of the features of the Company's BEST process.

In the first quarter of 2022, the Company submitted a non-provisional utility patent application to the USPTO for its BEST process. On April 22, 2022, the Company received notification from the USPTO that Northstar's application met the requirements for prioritized examination for an original non-provisional Track 1 application. The Company acknowledges that potential competitors may be able to develop similar processes to BEST that would not infringe on such a patent, if granted. On November 8, 2022, Northstar announced it was issued a patent for the Company's front-end technology for reprocessing asphalt shingles by the USPTO. This patent is expected to remain in force until 2042. Further, Northstar has filed follow-on continuation patent applications with the USPTO and in February 2023, received notice from CPO that its application has been fast tracked. The Company has also filed a Patent Cooperation Treaty international application.

The Company also relies on a combination of other intellectual property laws (i.e., trademark and copyright), trade secrets, confidentiality procedures, contractual provisions and other measures to protect the Company's proprietary information and technology. The Company seeks to limit the disclosure of its intellectual property by requiring customers and potential business partners to execute confidentiality agreements.

Cycles

The Company expects operating revenue to be lowest in the first quarter of a fiscal year primarily due to lower construction project activity in the winter months due to winter weather conditions. High precipitation levels particularly in the spring can also adversely impact revenue particularly in the first and second quarters when project start dates are more likely to be delayed or result in the extension of road load restrictions, negatively impacting the demand for Northstar's products. The Company expects each operating facility to retain an asphalt shingle feedstock inventory in the order of three to four months of production to ensure steady-state operations can be maintained during periods of low intake of asphalt feedstock. See “*Risk Factors – The cyclical nature of the waste management industry*” below for more information.

Environmental Protection

The current and future operations of the Company are and will be subject to various laws, rules and regulations governing the protection of the environment. The Company’s obligations to protect the environment under the regulatory regimes in which the Company does and will operate may affect the financial position, operational performance and earnings of the Company. Management believes all of the Company’s activities are materially in compliance with applicable environmental legislation. See “*Risk Factors – Risks Related to the Company, its Business and Industry – Environmental Regulations*” and “*Risk Factors – Risks Related to the Company, its Business and Industry – The Company is subject to substantial governmental regulation that will change over time*” below for more information.

Employees

As of the Effective Date, the Company has 16 employees and 3 independent contractors. As at December 31, 2022, the Company had 16 employees and 3 independent contractors.

Foreign Operations

As at the date of this AIF, the Company does not have any foreign operations.

Environmental, Social & Governance Policies

As of the Effective Date, the Company has yet to adopt or implement any social or environmental policies fundamental to its operations. That said, the Company is focused on ensuring the health and safety of its employees, contractors and partners, while also striving to minimize the environmental footprint of its operations. The Company is currently reviewing its health and safety policy and implementation plans, as well as planning for the adoption of a corporate sustainability strategy for 2024.

Conversely, the Company has established the following corporate governance policies, which were also adopted and ratified by the Board on November 23, 2021:

1. Code of Business Conduct and Ethics;
2. Disclosure Controls and Procedures Policy; and
3. Insider Trading and Blackout Policy.

Copies of these corporate governance documents, standards and policies are available on the Company’s corporate website at www.northstarcleantech.com.

RISK FACTORS

The following risk factors could materially adversely affect the Company, its current operations and business, and should be considered when deciding whether to make an investment in the Company. The risks and uncertainties described in this AIF and the information incorporated by reference herein, as applicable, are those the Company currently believes to be material, but they are not the only ones the Company will face. If any of the following risks, or any other risks and uncertainties that the Company has not identified or that it currently considers not to be material, actually occur or become material risks, the Company’s business, prospects, financial condition, results of operations and cash flows, and consequently the price of the Common Shares could be materially and adversely affected. In all these cases, the trading price of the Company’s securities could decline, and prospective investors could lose all or part of their investment.

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision.

Any reference to the "Company" or "Northstar" in the risk factors refers to the Company and its subsidiaries collectively on a consolidated basis.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See "*Cautionary Statement Regarding Forward-Looking Statements*" in this AIF.

Risks Related to the Company, its Business and Industry

Environmental Regulations

All of the Company's operations will be subject to environmental regulations, which can make operations expensive or prohibitive. The continued evolvement of environmental regulations may lead to the imposition of stricter standards, more diligent enforcement, and heavier fines and penalties for noncompliance. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations at its current asphalt shingle extraction facility, the Empower Pilot Facility, or cause delays in the development of future facilities, including its proposed Calgary Empower Facility.

The Company is subject to substantial governmental regulation that will change over time

The Company is subject to potential liability and restrictions under environmental and other laws, including those relating to transportation, treatment, storage and disposal of wastes and hazardous wastes, discharges of pollutants to air and water, and the remediation of contaminated soil, greenhouse gas emissions and the remediation of contaminated surface water and groundwater. These laws and regulations are subject to ongoing changes, not all of which are predictable. The operation of the Company's business has been and will continue to be subject to regulation, including permitting and related financial assurance requirements, as well as attempts to further regulate the Company's operations. Permits may take years to obtain or renew as a result of numerous hearings and compliance requirements with regard to zoning, environmental and other laws and regulations. These permits can be subject to resistance from citizen or other groups and other political pressures. Local communities and citizen groups, adjacent landowners or governmental agencies may oppose the issuance or expansion of a permit or approval the Company may need, allege violations of the permits under which we currently operate or laws or regulations to which Northstar is subject, or seek to impose liability on the Company for environmental damage. In addition, failure to receive or maintain regulatory, zoning or other approval, permits or authorizations, may prohibit the Company from establishing, or cause or contribute to delays for it in new or expanding capacity at our existing facilities.

Inability of the Company's technology to meet performance expectations

The performance of the Company's processes may encounter problems due to the failure of its technology, the failure of the technology of others used in its processes, the failure to combine these technologies properly, operator error, or the failure to maintain and service the systems properly. Many of these potential problems and delays are beyond the Company's control. In addition, poor performance may involve delays in project installations and modifications to the processes, as well as third party involvement. Any problem or perceived problem with the processes, whether originating from its technology, design, or from third parties, could hurt Northstar's reputation and the reputation of its products and limit our sales. In addition, the Company may suffer contractual implications with customers if the failure of a system to perform results in a lack of product or a lower specification product than promised under an agreement with a customer.

Reliance on a single customer for a significant portion of our liquid asphalt revenue from the Calgary Empower Facility

Pursuant to the terms of the McAsphalt Offtake Agreement, Northstar, through its wholly owned subsidiary, has agreed to sell, and McAsphalt has agreed to purchase on an exclusive take-or-pay basis, 100% of the liquid asphalt produced at the Calgary Empower Facility. In turn, Northstar has agreed not to sell liquid asphalt to any other party while the agreement is in force. In the event the McAsphalt Offtake Agreement is terminated, there is no assurance the Company will be able to reach an agreement with a new partner or partners on similar terms to the McAsphalt Offtake Agreement, or at all. In the event the McAsphalt Offtake Agreement is not renewed on acceptable terms, or the Company is not able to reach agreements with new partners on acceptable terms, or at all, this would have a material adverse effect on the revenue, financial condition and operating results of the Company.

See "*Description of the Business – Outputs: Liquid Asphalt, Fibre, Aggregate*" and "*Description of the Business – Economic Dependence*" for more information on the Lafarge Off-Take Agreement.

The Company will need to establish additional relationships with collaborative and development partners to fully develop and market its products

The Company does not possess all of the resources necessary to develop and commercialize products on a mass scale. Unless the Company expands its development capacity and enhances its internal marketing, it will need to make and continue appropriate arrangements with collaborative affiliates, such as McAsphalt or other partners who Northstar is currently engaging, to develop and commercialize current and future sites and products.

Collaborations may allow the Company to:

- generate cash flow and revenue;
- offset some of the costs associated with our internal development; and
- successfully commercialize products.

If the Company needs but does not find appropriate collaborative arrangements, or its existing McAsphalt Offtake Agreement is terminated or re-negotiated on less favourable terms, Northstar's ability to develop and commercialize its products could be adversely affected. The Company does not have a sales agreement for its Empower Pilot Facility. Even if the Company is able to find collaborative partners, the overall success of the development and commercialization of products will depend largely on the efforts of other parties and is beyond the direct control of Northstar. In addition, in the event the Company pursues its commercialization strategy through collaboration, there are a variety of attendant technical, business and legal risks, including, but not limited to:

- a development partner may gain access to the Company's proprietary information, potentially enabling the partner to develop products without it or design around its intellectual property;
- the Company may not be able to control the amount and timing of resources that such collaborators may be willing or able to devote to the development or commercialization of the Company's products or to their marketing and distribution; and
- disputes may arise between the Company and its collaborators that result in the delay or termination of the development or commercialization of the Company's product or that result in costly litigation or arbitration that diverts the Company's management's resources.

The occurrence of any of the above risks or other similar risks could impair the Company's ability to generate revenues and harm its business and financial condition.

Lack of formal supply and sale agreements for fibre and aggregate at the Empower Pilot Facility in Delta, BC

The Company has not yet reached commercial production levels at the Empower Pilot Facility, and therefore has not yet negotiated any formal agreements with local roofing contractors or waste haulers to ensure it will have adequate supply of asphalt shingles, or any sale agreements for the sale of its aggregate or fibre products. On September 29, 2022, Northstar announced the signing of the Purchase Order with the Empower Pilot Facility Customer. The Customer agreed to purchase 80 tonnes of liquid asphalt produced from the Empower Pilot Facility.

While the Company has engaged in numerous discussions with potential suppliers and customers, and believes such negotiations to be progressing positively, there is no assurance the Company will be able to formalize supply or sale agreements on acceptable commercial terms, or at all. If the Company is unable to secure adequate supply of asphalt shingles on terms that management considers acceptable based on its financial modelling, the Company may not be able to produce enough product at reasonable market prices to generate a profit. Similarly, if the Company is not able to formalize agreements for the sale of its aggregate and fibre products, its revenues, results of operations and financial condition will be materially adversely affected.

Lack of formal supply agreements and sale agreements for fibre and aggregate at the Calgary Empower Facility in Calgary, AB

The Company has not yet commenced construction at the Calgary Empower Facility and has not yet negotiated any formal supply agreements with local roofing contractors, waste haulers or shingle manufacturers to ensure it will have adequate supply of asphalt shingles, or any sale agreements for the sale of its aggregate or fibre products. While the Company has engaged in numerous discussions with potential suppliers and customers, and believes such negotiations to be progressing positively, there is no assurance the Company will be able to formalize supply or sale agreements on acceptable commercial terms, or at all. If the Company is unable to secure adequate supply of asphalt shingles on terms that management considers acceptable based on its financial modelling, the Company may not be able to produce enough product at reasonable market prices to generate a profit. Similarly, if the Company is not able to formalize agreements for the sale of its aggregate and fibre products, its revenues, results of operations and financial condition will be materially adversely affected.

The Company currently relies on a single existing facility; the Empower Pilot Facility in Delta, BC

Until the successful construction, commissioning and operation of the Calgary Empower Facility, the Company's production activities are focused on its Empower Pilot Facility in Delta, British Columbia. Adverse changes or developments affecting the existing Empower Pilot Facility could have a material and adverse effect on the Company's ability develop its processes, its business, financial condition, and prospects.

Construction Risk of Building a Facility

The Company is currently in advanced planning phases for constructing the Calgary Empower Facility, as in any construction project there exist cost and scheduling risks. The Company may or may not also be able to source adequate skilled and trained personnel. In addition, the Company may or may not be able to source the required equipment and contractors in order to construct the facility. Given these risks, there may be adverse changes to the planned construction of building the Calgary Empower Facility.

The Company may lose out to larger and better-established competitors

The waste management industry is intensely competitive. Most of the Company's competitors have significantly greater financial, technical, marketing and distribution resources as well as greater experience in the industry than the Company. Northstar's products may not be competitive with other technologies. If this happens, the Company's sales and revenues will decline. In addition, the Company's current and potential competitors may establish cooperative relationships with larger companies to gain access to greater development or marketing resources. Competition may result in price reductions, reduced gross margins and loss of market share.

The Company's products may be displaced by newer technologies

The waste management industry, and in particular sustainable waste management technology, is undergoing rapid and significant technological change. Third parties may succeed in developing or marketing technologies and products that are more effective than those developed or marketed by the Company, or that would make our technology and sites obsolete or non-competitive. Accordingly, the Company's success will depend, in part, on its ability to respond quickly to technological changes through the development and introduction of new sites and products. The Company may not have the resources to do this. If Northstar's sites or products become obsolete and its efforts to secure and develop new products and sites do not result in any commercially successful sites or products, the Company's sales and revenues will decline.

The cyclical nature of the waste management industry

Fluctuating demand cycles are common in the waste management industry and these cycles could have a significant impact on the level of demand for the Company's products. As such, fluctuations in the demand for services or the ability of the private and/or public sector to fund projects in the then-current economic climate could adversely affect the Company's pricing and margins and thus its overall results, which could cause the price of its Common Shares or other listed securities, as applicable, to decline. Given the project-based nature of the waste management industry, Northstar's financial results, similar to others in the industry, may be impacted in any given period by a wide variety of factors beyond its control (as outlined herein) and, as a result, there may be from time to time, significant and unpredictable variations in the Company's quarterly and annual financial results, which could cause the price of its Common Shares or other listed securities, as applicable, to decline.

Failure to Innovate

The Company's success depends upon its ability to design, develop, test, market, license and support new products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, products and enhancements must remain compatible with the other products and systems used by its customers. If the Company is unable to successfully integrate its products with its customers, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not anticipate or adapt to, its products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed. The Company works diligently to stay current; however, there is a risk we will not keep pace with industry developments.

Competition

The Company is engaged in an industry that is competitive. Because its industry is evolving and characterized by technological change, it is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market. The Company faces increased competition from companies with strong positions in certain markets the Company intends to serve and in new markets and regions it may enter. Many of the Company's competitors have significantly greater financial and other resources than the Company currently possesses and may spend significant amounts of resources to gain market share. The Company cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on the Company's business, financial condition or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively than the Company can, or devote greater resources to the development, promotion and sale of products than the Company can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition or results of operations.

If the Company is not able to differentiate its business from those of its competitors, drive value for customers or effectively align its financial and operational resources with its goals and objectives, it may not be able to compete effectively against its competitors. If the Company fails to compete effectively against its competitors, its business and profitability may be adversely affected.

The Company will incur ongoing costs and obligations related to regulatory compliance

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and operating results of the Company.

The waste management industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomical. The industry is also subject to legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Successful execution of the Company's strategy is contingent, in part, upon compliance with regulatory requirements and obtaining all regulatory approvals, where necessary, for the sale of the Company's products and other products expected to be distributed by the Company.

Reliance on management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management, including Aidan Mills, Kellie Johnston and Rosemary Pritchard. Northstar's future success depends on its continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any of the Company's senior management or key employees could materially adversely affect its ability to execute our business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

Difficulty to forecast

The Company must rely largely on its own market research and business understanding to forecast sales, as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the proposed business, results of operations and financial condition of the Company.

Uncertainty of Use of Proceeds

Although the Company has identified its intended use of certain available funds in building the Calgary Empower Facility, the uses and figures disclosed herein are estimates only and are subject to change. While management does not contemplate any material variation from such estimates, management retains broad discretion in the application of such proceeds. The current market environment in Canada has experienced significant inflation levels to products and services that could adversely affect the Company's ability to acquire, lease, or obtain specialized products and services at a reasonable price. The supply chain has also been significantly affected by the effects of the COVID-19 pandemic and therefore the Company's ability to source specialized products and services may be adversely impacted with significant, unexpected delays.

Vulnerability to rising energy costs

The Company's operations will consume energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Operating risk and insurance coverage

Over the course of its operations, the Company may be affected by or subject to a number of operational risks and the Company may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards, if made real, will not result in damage to, or destruction of, the Company's technologies, personal injury or death, environmental damage, adverse impacts on the Company's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. In this regard, the Company currently has full insurance coverage including liability insurance and insurance to protect its assets. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Requirement to Attract and Retain Customers to our Products

The Company's continued success with operations will depend on its ability to maintain its existing customers or sign-up new customers for its products. No assurance can be given that the Company will be able to procure a sufficient number of customers to reach profitability.

At the Calgary Empower Facility, the Company has executed the McAsphalt Offtake Agreement with McAsphalt for the initial term of 5 years (with two three-year renewal options) whereby Northstar will exclusively sell McAsphalt, on a take-or-pay basis, 100% of its liquid asphalt production from the Calgary Empower Facility. The Company has yet to agree to terms for the purchase of the fiber and aggregate from the Calgary Empower Facility.

Uncertainty regarding the Emissions Reduction Alberta (ERA) Award for the Calgary Empower Facility

In February 2023, the Company was selected by Emissions Reduction Alberta for a non-repayable project level government grant award of up to approximately $7.1 million. There is considerable risk that the Company may not sufficiently satisfy the requirements for this award from ERA. The Company's grant is based on numerous milestones, of which ERA will only release funds to the Company based on its ability to satisfy certain conditions. There cannot be any guarantee that the Company achieves those milestones and therefore the award of some or all of the grant from ERA may not occur. The Company's risk of construction, operation and collection of feedstock is still considerable and if the Company does not achieve these hurdles, the opportunity to receive the ERA would be adversely impacted.

Permitting Risk with Constructing the Calgary Empower Facility

On January 30, 2023, the Landlord, MEP Developments Inc., at the selected site location for the Empower Calgary Facility was issued a conditional approval for the development permit from Rocky View County. There are a number of conditions required that the Company must fulfill before the development permit is issued to the Company's landlord. There is considerable risk that the Company does not fulfill these conditions in order to satisfy the full issuance of the development permit. If the Company does not receive its development permit from Rocky View County for the Calgary Empower Facility, the Company's future business would be materially affected as it would be unable to operate. While the Company believes that the conditions are satisfactory and manageable to fulfill, there cannot be a guarantee that the Company's landlord obtains the development permit.

Risk Factors Relating to the General Economic and Political Conditions

Limited Operating History

The Company has only a limited operating history upon which an evaluation of the Company and its prospects can be based. In particular, the Company has a limited history with its asphalt shingle reprocessing operations at the Empower Pilot Facility and remains in the early stage of development. The Calgary Empower Facility is still in the planning phase and has yet to commence construction or operation. The Company is subject to many risks common to venture enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on Shareholders' investment or meeting other metrics of success.

The Company incurs substantial expenses in the establishment and operation of its business. A significant portion of the Company's financial resources have been and will continue to be, directed to the development of its business and related activities at both the Empower Pilot Facility and the Calgary Empower Facility. The success of the Company will ultimately depend on its ability to generate cash from its business. There is no assurance that the required funds will be available for future expansion of the Company's business. If the Company does not have access to the required funds to continue the operation and development of its business and operational activities, and to the extent that it does not generate cash flow and income, the Company's long-term viability may be materially and adversely affected.

Future Capital Needs, Uncertainty of Additional Financing and Dilution

The ability of the Company to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management.

The Company may need to raise additional funds in order to support more rapid expansion, develop new or enhanced services and products, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. The Company may be required to raise additional funds through public or private debt or equity financing, strategic relationships, royalty agreements, government grants or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Even if such funding is available, the Company cannot predict the size of future issues of the Company's securities, including its Common Shares or securities convertible into the Common Shares, or the effect, if any, that future issues and sales of the Common Shares will have on the market price of such shares.

Furthermore, any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the Shareholders will be reduced. As such, Shareholders may experience additional dilution in net book value per Common Share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Failure to Protect its Intellectual Property

Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. While the Company was issued a patent for a portion of its front-end technology in the BEST process by the USPTO in November 2022, the Company's entire process is not fully patented and thus protected at this point in time. The Company also has filed patents with CPO and filed a Patent Cooperation Treaty application for the international patent system. The Company intends to rely on a combination of patents, copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company's intellectual property rights may be difficult, particularly in some nations outside of North America in which the Company may seek to market its products. While U.S. and Canadian patent and copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of technologies, software and innovations, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. Despite the precautions, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products or innovations; or (ii) reverse engineer or obtain and use information that the Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technology. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

Intellectual Property Infringement

Other companies may claim that the Company has infringed their intellectual property, which could materially increase costs and materially harm the Company's ability to generate future revenue and profits. Claims of infringement are becoming increasingly common as the industry in which Northstar operates develops and as related legal protections, including patents are applied to products. Although the Company does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Although most of the Company's technology is proprietary in nature, the Company does include significant amounts of capital and equipment in its products. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses for the technology or the lack of support or enhancement of such technology could materially adversely affect the Company's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged intellectual property; (ii) obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

Management of Growth

The Company has recently experienced, and may continue to experience, rapid growth in the scope of its operations. This growth has resulted in or will result in increased responsibilities for the Company's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture. There can be no assurance that the Company will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Company's operations. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Loss of Key Employees and Contractors

The Company depends on and will continue to depend on a number of key employees and contractors, the loss of any one of whom could have an adverse effect on the Company. The Company will not have and is not expected to purchase key person insurance on such individuals, which insurance would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and operating personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

Liquid Market or Securities

Even though currently the Common Shares, which trade on the TSXV and OTCQB, have an active and liquid market, there can be no assurance than an active and liquid market for the Common Shares will continue or be maintained.

Dividends

To date, the Company has not paid any dividends on its outstanding securities and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on the Company's Common Shares will be made by the Board in accordance with the Articles of the Company.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company will be exposed to interest rate changes on its investments that are expected to pay interest, and any credit facilities it may have that bear interest at a floating rate. Changes in the prime lending rate would affect earnings and could adversely affect the Company's profitability.

Currency Exchange Risk

The Company is exposed to fluctuations in currency exchange rates, which could negatively affect its financial condition and results of operations. In particular, exchange rate fluctuations may affect the payments received by the Company from clients both foreign and domestic that utilize the Company. The Company has not entered any foreign currency contracts to mitigate these risks.

Trading Price of Common Shares and Volatility

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur, and the trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired its shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Listed Securities and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources. Litigation may also create a negative perception of the Company's brand.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (potentially including other waste management companies). As a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws, including the requirements of the BCBCA. Accordingly, the BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his, her or their interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. In accordance with applicable laws, all directors of Northstar are required to act honestly, in good faith and in the best interests of the Company.

Reporting Issuer Status

As a reporting issuer, the Company will be subject to reporting requirements under applicable securities law and the policies of the TSXV. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances by each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisors prior to subscribing for Common Shares.

Global Financial Conditions

Global financial conditions over the last few years have been characterized by volatility and the bankruptcy of several financial institutions or the rescue thereof by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of the Common Shares may be adversely affected.

Force Majeure Events

The Company's operations may be adversely impacted by factors that are beyond the Company's control including pandemics, natural disasters, terrorism, labour disruptions, outbreaks of war, and other forms of economic, health or political disruptions. Such factors may not be foreseeable and may significantly adversely affect global economic conditions, including inflation, supply chain, global shipping, and currency volatility. While many of the restrictions imposed during the COVID‑19 pandemic are now being eased globally, the Company's business may still be impacted through lingering or renewed effects of the pandemic, including through supply chain, financial constraints of its customers and suppliers, increasing costs, and difficulty attracting skilled labor, with a result that it may not be able to build, own and operate its Empower Pilot Facility and/or the Empower Calgary Facility within the anticipated timeframe or on budget. In some cases, such delays may result in liquidated damages, and may adversely affect the Company's operations.

The Russia‑Ukraine war has drastically reduced capacity for Ukraine to supply goods and raw materials, such as steel. The sanctions imposed on Russia have also led to the reduced availability of Russian-produced steel and other products.

Climate change has increased the incidence of natural disasters caused by weather and climate extremes including heatwaves, droughts, forest fires, atmospheric rivers, torrential downpours and flooding.

Future incidents could significantly adversely affect the Company's operations either directly, or by affecting the businesses of its suppliers or customers. Other events and factors that are beyond the Company's control but that may have a significant adverse effect on the Company's operations include but are not limited to strikes and labour disruptions affecting the Company's suppliers or customers, and global political instabilities such as the outbreak of war, discussed below under "Macroeconomic and Geopolitical Risks and Uncertainties".

While the Company works to mitigate the effects of these uncontrollable events, there is no assurance that they will be effective in doing so in future, particularly when multiple events coincide, and they may negatively impact the Company's operations and profitability.

Unexpected Disruptions Affecting Projects and Operations

The Company's current and future operations can sometimes be subject to delays for a variety of reasons, including labour slowdowns, construction delays unrelated to the Company's products, technological malfunctions, defective materials, or workplace safety. Such delays may delay the recognition of revenue, discourage customers from doing business with the Company, and may hurt the Company's reputation, affecting future sales prospects. The Company may lose sales and may not be able to replace those sales at an acceptable margin or at all. There can be no assurance that such delays will be overcome in a timely manner and to the satisfaction of the customer.

Furthermore, the Company enters into agreements which, consistent with industry standards, may include liquidated damages or termination provisions which may allow customers to claim amounts or terminate and not proceed with proposed projects.

Macroeconomic and Geopolitical Risks and Uncertainties

Macroeconomic and geopolitical risks and uncertainties may have a material adverse impact on the Company's operations. The Company procures a portion of its supplies and equipment from global suppliers. Economic, legal and political conditions globally could adversely affect the Company's ability to conclude sales and procure and timely deliver products. These factors may significantly adversely affect the availability and costs of raw materials and equipment, contribute to inflation and cause currency fluctuations, and cause market volatility, all of which could significantly impact the Company's revenues and profitability and its ability to raise capital as needed.

The Russia‑Ukraine war and its related economic and political sanctions on global fuel sources has exacerbated an already challenged global shipping environment and supply chain challenges, for example. These conditions are beyond the Company's control and there can be no assurances that any mitigating actions by the Company or the Company's suppliers will be effective.

Sourcing Equipment

The continuation of global transportation and logistics challenges may have a negative impact on the Company's ability to timely source products and capital equipment. To the Company's knowledge, none of the Company's suppliers or customers have entered into bankruptcy due to the COVID‑19 pandemic, natural disaster or other adverse supply chain effects. The Company's purchasing plan identifies alternative sources of supply for equipment suppliers and product fabricators that are essential to the Company's business operations. In 2022, the global supply chain, which was already disrupted by the COVID‑19 pandemic, was further impacted by the Russia‑Ukraine war. The prices for goods and services continued to increase due to worldwide inflation. The Company is subject to a continued risk resulting from the COVID‑19 pandemic, the war in Ukraine and other risks affecting the global supply chain.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared or paid a dividend. Other than the requirements of the BCBCA, there are no restrictions on the Company that would prevent it from paying a dividend. However, as of the Effective Date, the Board intends to retain any future earnings (when available) for reinvestment in the Company's business, and therefore, it has no current intention to declare or pay dividends on the Common Shares in the foreseeable future.

Any future determination to pay dividends on the Common Shares will be at the sole discretion of the Board after considering a variety of factors and conditions existing from time to time including its earnings, financial condition and other relevant factors. See "*Risk Factors – Dividends*" for more information.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Company's authorized share structure consists of an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value.

As of the Effective Date, 126,196,270 Common Shares are issued and outstanding, Nil Preferred Shares are issued and outstanding, 7,266,854 Stock Options are outstanding, each exercisable for one Common Share, 355,917 RSUs are outstanding, each representing the right to receive, once vested, one Common Share, 3,559,275 PSUs are outstanding, each representing the right to receive, once vested, one Common Share, and 40,073,124 Warrants are outstanding, each exercisable for one Common Share. See "*Market for Securities – Prior Sales*" for more information.

As of the Effective date, $2,065,000 in principal amount of unsecured convertible debentures of the Company via the offerings of the December 2022 Convertible Debentures and the February 2023 Convertible Debentures are outstanding. The principal amount of the December 2022 Convertible Debentures and the February 2023 Convertible Debentures may be converted, for no additional consideration, into Units at the option of the holder at any time after the date of issue at a conversion price of $0.25 per Unit. Each Unit will consist of one Common Share and one-half of one non-transferable Warrant, with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of $0.35 per Common Share until the maturity date, which is 36 months from the date of issuance. See "*General Development of the Business of the Company – Three Year History – Fiscal 2022*" and "*General Development of the Business of the Company – Three Year History – Fiscal 2023*" for more information on the December 2022 Convertible Debentures and the February 2023 Convertible Debentures and their respective terms.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the Shareholders. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Common Shares are are listed and posted for trading on the TSXV under the symbol "ROOF" and on the OTCQB under the symbol "ROOOF".

Preferred Shares

As of the Effective Date, the Company has Nil Preferred Shares of any class issued and outstanding. On November 15, 2022, the Company completed an internal transaction with its wholly-owned subsidiary, Empower Delta in which the Company acquired certain intellectual property related to the Company's proprietary shingle reprocessing technology. In consideration, the Company designated a new series of its previously authorized preferred shares, designated as the Series A Preferred Shares, and it issued all 1,000 of those Series A Preferred Shares to Empower Delta at a deemed price of $3,580 per Series A Preferred Share. Following the issuance of the Series A Preferred

Shares, the Company approved the redemption of the Series A Preferred Shares in accordance with their special rights and restrictions.

MARKET FOR SECURITIES

Trading Price and Volume of Common Shares

TSXV

The Common Shares are listed and posted for trading on the TSXV under the symbol "ROOF". The following table sets forth the price range (high and low prices) in Canadian dollars of the Common Shares and volume traded on the TSXV, for the periods indicated.

2023	High ($)	Low ($)	Volume
April 1 to April 20, 2023	$0.195	$0.145	1,199,700
March	$0.24	$0.15	2,367,000
February	$0.225	$0.12	4,523,220
January	$0.175	$0.125	1,583,451
2022	**High ($)**	**Low ($)**	**Volume**
December	$0.195	$0.145	2,436,129
November	$0.22	$0.16	3,224,186
October	$0.29	$0.14	6,448,189
September	$0.15	$0.11	2,063,762
August	$0.19	$0.15	1,504,309
July	$0.18	$0.14	2,227,672
June	$0.23	$0.18	2,120,767
May	$0.24	$0.20	2,543,667
April	$0.27	$0.23	2,433,888
March	$0.30	$0.225	3,809,581

OTCQB

The Common Shares are listed and posted for trading on the OTCQB under the symbol "ROOOF". The following table sets forth the price range (high and low prices) in U.S. dollars of the Common Shares and volume traded on the OTCQB, for the periods indicated.

2023	High ($)	Low ($)	Volume
April 1 to April 20, 2023	$0.14	$0.11	258,443
March	$0.15	$0.11	9,960
February	$0.16	$0.09	49,802
January	$0.13	$0.10	9,817
2022	**High($)**	**Low ($)**	**Volume**
December	$0.14	$0.10	903
November	$0.14	$0.11	44,770
October	$0.21	$0.13	1,042,904
September	$0.14	$0.05	142,582
August	$0.17	$0.10	29,695
July	$0.14	$0.07	43,025
June	$0.18	$0o.13	142,402
May	$0.19	$0.14	171,123
April	$0.25	$0.15	166,240
March	$0.297	$0.1888	260,393

Trading Price and Volume of Warrants

The Warrants are listed and posted for trading on the TSXV under the symbol "ROOF.WT". The following table sets forth the price range (high and low prices) in Canadian dollars of the Warrants and volume traded on the TSXV, for the periods indicated.

2023	High ($)	Low ($)	Volume
April 1 to April 20, 2023	$0.01	$0.005	264,500
March	$0.01	$0.005	119,500
February	$0.02	$0.01	42,500
January	$0.01	$0.01	15,000
2022	**High ($)**	**Low ($)**	**Volume**
December	$0.02	$0.01	191,000
November	$0.02	$0.02	586,000
October	$0.045	$0.015	379,600
September	$0.01	$0.01	10,000
August	$0.01	$0.01	7,000
July	$0.01	$0.01	76,000
June	$0.025	$0.005	260,800
May	$0.04	$0.01	60,500

April	$0.055	$0.03	159,000
March	$0.08	$0.045	67,000

PRIOR SALES

Prior Sales

The following table summarizes the issuances of each class of securities issued by the Company during the most recently completed financial year and the period from the most recent financial year end to the Effective Date:

Date of Issuance	Type of Security	Number of Common Shares Issued/Issuable or Aggregate Amount	Issuance or Exercise Price per Security ($)
February 16, 2021	Stock Options	3,300,000[(1)]	$0.35
March 25, 2021	Common Shares	702,736[(2)]	$0.35
April 1, 2021	Common Shares	2,150,000[(3)]	N/A
June 22, 2021	Common Shares	34,975,178[(4)]	$0.35
June 22, 2021	Warrants	17,487,584[(4)]	$0.35
June 22, 2021	Broker Warrants	2,014,565[(5)]	$0.50
July 12, 2021	Stock Options	2,100,000[(6)]	$0.35
November 8, 2021	Common Shares	15,000[(7)]	N/A
December 15, 2021	Stock Options	1,275,000[(8)]	$0.35
February 7, 2022	Stock Options	200,000[(9)]	$0.35
March 21, 2022	Stock Options	100,000[(10)]	$0.35
April 19, 2022	Stock Options	260,854[(11)]	$0.35
July 4, 2022	RSUs	355,925[(12)]	N/A
July 4, 2022	PSUs	3,559,278[(12)]	N/A
August 15, 2022	Common Shares	1,250,000[(13)]	$0.40
October 3, 2022	Common Shares	625,000[(14)]	$0.40
November 15, 2022	Preferred Shares	1,000[(15)]	$3,850
December 15, 2022	Convertible Debentures	5,760,000[(16)]	$0.25
December 15, 2022	Warrants	2,880,000[(16)]	$0.35
December 15, 2022	Broker Warrants	157,200[(16)]	$0.35
February 28, 2023	Convertible Debentures	2,500,000[(17)]	$0.25
February 28, 2023	Warrants	1,250,000[(17)]	$0.35
February 28, 2023	Broker Warrants	24,000[(17)]	$0.35
March 2, 2023	Stock Options	11,000[(18)]	$0.21
April 19, 2023	Common Shares	18,195,367[(19)]	$0.15
April 19, 2023	Warrants	18,195,367[(19)]	$0.20

April 19, 2023	Broker Warrants	511,819[19]	$0.20

[1] On February 16, 2021, the Company granted an aggregate of 3,300,000 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.35 per Common Share until February 16, 2026.

[2] On March 25, 2021, the Company settled debt of approximately $245,958 through the issuance of 702,736 Common Shares at a deemed price of $0.35 per Common Share.

[3] Issued pursuant to the Empower Amalgamation Agreement and, in connection therewith, because the listing of the Common Shares on the TSXV did not occur on or before March 31, 2021, on April 1, 2021, the Company issued, for no additional consideration, the Additional Common Shares. See "*General Development of the Business of the Company – Fiscal 2020*" for more details.

[4] On June 22, 2021, the Company issued an aggregate of 34,975,178 Units in connection with the Northstar Private Placement. Each Unit consisted of one Common Share and one-half of one Warrant, with each whole Warrant exercisable into one Common Share at an exercise price of $0.50 per Common Share for a period of 2 years from the date of issuance. See "*General Development of the Business of the Company – Fiscal 2021 – Northstar Private Placement*" for more details.

[5] On June 22, 2021, in connection with the Northstar Private Placement, the Company issued 2,014,565 broker warrants to certain registrants upon the conversion of an equal amount of special warrants, with each broker warrant exercisable into one Common Share at an exercise price of $0.35 per Common Share for a period of 2 years from the date of issue.

[6] On July 12, 2021, the Company granted an aggregate of 2,100,000 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.35 per Common Share until July 12, 2026. The Stock Options vest in 4 equal installments with the first installment of 25% on the date that is 3 months after the date of grant and an additional 25% of the total number of Stock Options vesting on the last business day of each 3 month period thereafter.

[7] Issued upon the due exercise of Warrants.

[8] On December 15, 2021, the Company granted an aggregate of 1,275,000 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.35 per Common Share as to 875,000 Stock Options until December 15, 2024 and as to 400,000 Stock Option until December 15, 2026. The Stock Options vest in 4 equal installments with the first installment of 25% on the date that is 3 months after the date of grant and an additional 25% of the total number of Stock Options vesting on the last business day of each 3 month period thereafter.

[9] On February 7, 2022, the Company granted an aggregate of 200,000 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.35 per Common Share until February 7, 2025. The Stock Options vest in 4 equal installments with the first installment of 25% on the date that is 6 months after the date of grant and an additional 25% of the total number of Stock Options vesting on the last business day of each 6 month period thereafter.

[10] On March 21, 2022, the Company granted an aggregate of 100,000 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.35 per Common Share until May 31, 2023, which Stock Options vested on May 31, 2022.

[11] On April 19, 2022, the Company granted an aggregate of 260,854 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.35 per Common Share until January 1, 2027. The Stock Options vest in 3 equal installments with the first installment of 33.33% on March 31, 2023 and an additional 33.33% of the total number of Stock Options vesting on each March 31st anniversary thereafter.

[12] On July 4, 2022, pursuant to the Company's Omnibus Equity Incentive Plan, the Company announces that it has issued an aggregate of 355,925 RSUs and 3,559,278 PSUs to officers and key employees of the Company. The RSUs and PSUs will vest as to one-third on each of June 23, 2023, March 31, 2024, and March 31, 2025. Each RSU and PSU represents the right to receive, once vested, one common share in the capital of the Company. The number of shares earned upon the vesting of the PSUs will be determined by the performance of each individual and will be subject to approval by the Board.

[13] On August 16, 2022, the Company announced that it completed a non-brokered private placement with Renewable U for 1,250,000 Common Shares at a price of $0.40 per Common Share for gross proceeds of $500,000.

[14] On October 4, 2022, the Company announced that it completed a non-brokered private placement with Renewable U for 625,000 Common Shares at a price of $0.40 per Common Share for gross proceeds of $250,000.

[15] On November 15, 2022, the Company completed an internal transaction with its wholly-owned subsidiary, Empower Delta in which the Company acquired certain intellectual property related to the Company's proprietary shingle reprocessing technology. In consideration, the Company designated a new series of its previously authorized preferred shares, designated as the Series A Preferred Shares, and it issued all 1,000 of those Series A Preferred Shares to Empower Delta at a deemed price of $3,580 per Series A Preferred Share. Following the issuance of the Series A Preferred Shares, the Company approved the redemption of the Series A Preferred Shares in accordance with their special rights and restrictions.

(16) On December 15, 2022, the Company announced that it completed a non-brokered private placement of unsecured convertible debentures for an aggregate principal amount of $1,440,000. The December 2022 Convertible Debentures bear an interest rate of 10% per year, paid semi-annually in arrears, and mature 36 months from the date of issue. The December 2022 Convertible Debentures may be converted for no additional consideration at a conversion price of $0.25 per Unit. Each Unit consists of one Common Share and one half of one non-transferrable Warrant, which entitles the holder to purchase one additional Common Share at a price of $0.35 per Common Share for 36 months. The Company paid finders fees of $39,300 and issued 157,200 non-transferable broker Warrants, which each broker Warrant entitling the holder thereof to acquire one Common Share at an exercise price of $0.35 per Common Share for 36 months.

(17) On February 28, 2023, the Company announced that it completed a non-brokered private placement of unsecured convertible debentures for an aggregate principal amount of $625,000, of which Insiders participated for $50,000. The February 2023 Convertible Debentures bear an interest rate of 10% per year, paid semi-annually in arrears, and mature 36 months from the date of issue. The February 2023 Convertible Debentures may be converted for no additional consideration at a conversion price of $0.25 per Unit. Each Unit consists of one Common Share and one half of one non-transferrable Warrant, which entitles the holder to purchase one additional Common Share at a price of $0.35 per Common Share for 36 months. The Company paid finders fees of $6,000 and issued 24,000 non-transferable broker Warrants, which each broker Warrant entitling the holder thereof to acquire one Common Share at an exercise price of $0.35 per Common Share for 36 months.

(18) On March 2, 2023, the Company granted an aggregate of 11,000 Stock Options, with each Stock Option exercisable into one Common Share at an exercise price of $0.21 per Common Share until March 2, 2028. The Stock Options vest in 4 equal installments with the first installment of 25% on the date that is 6 months after the date of grant and an additional 25% of the total number of Stock Options vesting on the last business day of each 6 month period thereafter.

(19) On April 19, 2023, the Company announced that it completed a non-brokered private placement of 18,195,367 April 2023 Units of the Company at a purchase price of $0.15 per unit for aggregate gross proceeds of $2.73 million. Each Unit from the April 2023 Units will consist of one common share of the Company and one Common Share purchase warrant of the Company, with each such Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of $0.20 per Warrant Share for a period of 36 months following the closing date of the Private Placement, subject to an acceleration right whereby, if during the period beginning four months and one day after the Closing Date, the Common Shares trade on TSXV at or above a volume weighted average trading price of $0.75 per Common Share for a period of 10 consecutive trading days, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration) and, in such case, the Warrants will be deemed to have expired on the day which is 30 days after the date of such notice. In connection with the Offering, the Company paid finders fees in the aggregate amount of $76,773 and issued 511,819 non-transferable broker warrants to the finders, with each such broker warrant exercisable for a period of 36 months following the closing date and entitling the holder thereof to acquire one Share at an exercise price of $0.20 per Share. The Company also reports that Insiders of the Company invested $15,000 in the April 2023 Units, which is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The issuance to the insiders of the April 2023 Units is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related party did not exceed 25% of the Company's market capitalization.

ESCROWED SECURITIES

The following table summarizes the Company's securities that remain in escrow or subject to restrictions on transfer as of the Effective Date:

Designation of Class of Security	Number of securities held in escrow or that are subject to contractual restriction on transfer[1]	Percentage of Class
Common Shares[2]	7,668,416	6.1%
Warrants[3]	33,750	0.07%

(1) In connection with the listing of the Common Shares for trading on the TSXV, an aggregate of 24,152,187 Common Shares, 2,750,000 Stock Options, 806,048 Warrants and 150,000 Subscription Receipts were deposited in escrow with

Computershare on June 18, 2021, of which 10% of such Common Shares were released from escrow on the date the Common Shares were listed on the TSXV, and 15% are to be release from escrow every six months thereafter, subject to the provisions provided for in NP 46-201. See "*Auditor, Transfer Agent and Registrar*" and "*Material Contracts*" for more information.

(2) Percentages based on 126,196,270 Common Shares issued and outstanding as of the Effective Date.

(3) Percentages based on 44,073,124 Warrants issued and outstanding as of the Effective Date.

DIRECTORS AND OFFICERS

As at the date hereof, the Board is comprised of 6 individuals. The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Company, their respective positions and offices with the Company and the date first appointed or elected as a director and/or officer and their principal occupation(s) within the past five years.

Name, Occupation and Security Holding

Name and Municipality of Residence	Position Held and Date Appointed	Principal Occupation within the Past Five Years
Aidan Mills C.Eng., MBA *Calgary, Alberta, Canada*	President (December 15, 2021), CEO (July 12, 2021) and a Director (December 15, 2021)	Mr. Mills is a highly experienced executive with over 30 years of global experience. He spent 19 years with British Petroleum (BP) plc, which included roles from his start as a Graduate Control Engineer through Project and Maintenance Engineering, Corporate Strategy, UK Commercial Gas and Power Development and North American Origination to a role as a Senior Vice President in Calgary with accountability for trading, asset and customer development and management. Mr. Mills then spent 5 years as Vice President, Commodity Marketing and Supply with Husky Energy Inc. in Calgary and 2 years as Managing Director with The Goldman Sachs Group, Inc. Following a role as VP Downstream for MEG Energy Corp., Mr. Mills was most recently Chief Commercial Officer at the Friesen Group of Companies, a privately owned Calgary business. Mr. Mills is a Chartered Engineer (C.Eng.) (UK), holds a Bachelor of Engineering Degree in Electrical and Electronics Engineering from Edinburgh University, and a Master of Business Administration with Distinction Degree from the Edinburgh Business School.
James A. ("Jim") Currie P.Eng.[1] *Vancouver, British Columbia, Canada*	Non-Executive Chairman and Director (December 23, 2020)	Mr. Currie has more than 40 years of experience in the mining industry and has been responsible for the construction and operation of mines in a number of countries around the world. He is the former COO of TSX and NYSE-listed Equinox Gold Corp., Pretium Resources Inc. and New Gold Inc. He holds a B.Sc. Degree from Queen's University in Mining Engineering and is a Registered Professional Engineer in the Province of British Columbia. Mr. Currie is the 2014 Co-Winner of AME BC's prestigious EA Scholtz Award for Excellence in Mine Development for his role in building New Gold's New Afton mine. Mr. Currie is based in Vancouver, British Columbia. Mr. Currie is currently the President & CEO, Director of Anacortes Mining Corp. (TSXV:XYZ), a Peruvian focused mining and exploration company.

Name and Municipality of Residence	Position Held and Date Appointed	Principal Occupation within the Past Five Years
Rosemary Pritchard CPA, CGA *Calgary, Alberta, Canada*	CFO (December 9, 2021)	Ms. Pritchard joined the Company as CFO on December 9, 2021. Ms. Pritchard has 30 years of executive finance experience in a variety of industries. Ms. Prichard manages human resources and information technology for the Company. Her roles included 9 years in the construction industry in controllership and COO roles, 5 years in public practice at Grant Thornton LLP, 8 years as CFO of the national furniture retailer Urban Barn, a Vancouver-based company with over 50 locations and more than 650 employees. Ms. Pritchard assisted in growing Urban Barn annual revenues from $20 million to $70 million and locations from 19 stores to 42 stores in 8 years. As CFO of Urban Barn, Ms. Pritchard was responsible for implementing the SAP ERP system, employee policies, internal controls and infrastructure. She was most recently the CFO of Arterran Renewables, a company in the green energy sector. Ms. Pritchard has a wide variety of executive financial experience including debt financing, stakeholder management, board reporting, and project management. She also has extensive experience in implementing infrastructure, building strong leadership teams, and working with high growth companies.
Kellie Johnston LLM, LLB *Calgary, Alberta, Canada*	CSO and General Counsel (February 7, 2022)	Ms. Johnston held the role of Vice President, Sustainability and General Counsel at Certarus Ltd., a North American market leader in providing low carbon energy solutions and prior to that was a member of Norton Rose Fulbright LLP's global risk advisory practice and led the ESG practice in Canada. She was also Principal with Zoom Strategic Solutions and has held senior ESG-based roles at Total E&P Canada and Williams Energy ULC. Ms. Johnston holds a Bachelor of Arts degree from the University of Alberta, a Bachelor of Laws degree from Dalhousie University in Nova Scotia and a Master of Laws degree (Distinction), specializing in International Law, from the University of New South Wales in Australia. She holds a certificate in Corporate Citizenship Management from the Carroll School of Management at Boston College. She is a member of the Law Society of Alberta and a Certified Compliance and Ethics Professional (CCEP).
Gregg J. Sedun LLB(1)(3)(5)(6)(7)(8) *Vancouver, British Columbia, Canada*	Lead Independent Director (December 23, 2020)	Mr. Sedun is a venture capital professional based out of Vancouver, Canada with 40 years of industry-related experience. He was a Partner at the Vancouver law firm, Rand Edgar Sedun, and specialized in the practice of corporate finance and securities law for 15 years until his retirement from law in 1997. Thereafter, Mr. Sedun founded two private venture capital firms, including Global Vision Capital Corp., where he continues to carry on venture capital investing today. Mr. Sedun was one of the founding directors and/or shareholders in several notable transactions, including Diamond Fields Resources Inc. which was acquired by Inco (now Vale) in 1996 for $4.3 billion.
Neil Currie(3)(7) *Vancouver, British Columbia, Canada*	Director (March 15, 2019)	Mr. Currie has served as a Director since March 15, 2019 and served as Chief Executive Officer and Corporate Secretary from March 16, 2019 to July 12, 2021. Mr. Currie has been the Managing Partner and co-founder of Capital Event Management Ltd. ("**CEM**") from November 2010, a private company which produces live/virtual investment events that link emerging issuers and private companies with top finance professionals through virtual zoom meetings and or a weekend of one-on-one meetings/networking. He has been the President of Currie Capital, a private company, from January 2009. Since 2010, Mr. Currie and his team have organized over 65 investment conferences around North America, facilitating capital investment for companies listed on the Toronto Stock Exchange, the Exchange and the CSE. Mr. Currie also manages CEM Capital (Investment Fund Division of CEM). The investment fund focuses only on the speculative markets and is considered agnostic.

Name and Municipality of Residence	Position Held and Date Appointed	Principal Occupation within the Past Five Years
James Borkowski C.Dir.(1)(2)(3)(4)(5)(7) *Vancouver, British Columbia, Canada*	Director (December 23, 2020)	Over the past 25 years, Mr. Borkowski has served in executive roles for several private and public companies, specializing in operations, product development and strategic communications for clients including 7-Eleven, Fairmont Hotels and Target Stores. He has also worked extensively in Asia with corporations including Nihon Shokken (Japan) and Fireswirl Technologies (Hong Kong). He received his Chartered Director designation in 2016 and has served on multiple public company, private company and non-profit Boards in sectors including technology, resource, industrial and consumer products. In the non-profit arena, he has worked as an executive and Board member of multiple charities. He currently serves as the Delegate for Operations at the Archdiocese of Vancouver where he oversees nine offices and directs major capital and ministry projects.
Gordon Johnson(5) *Vancouver, British Columbia, Canada*	Director (December 23, 2020)	Mr. Johnson is a co-founder of the Company's wholly owned subsidiary Empower Environmental Solutions Ltd. Mr. Johnson is currently a Director of the Company and the former President of the Company. Mr. Johnson has spent most of his career guiding and leading private companies. He was the CEO of Lodgeview Entertainment, a hotel Pay Per View company initially based out of Western Canada. Mr. Johnson guided the company through rapid expansion from 13 to over 300 hotels, where he eventually oversaw the purchase of the company by a larger competitor. He was also the CEO of Save Energy Walls, which built over 260 homes and townhouses and won multiple Georgie awards for its energy efficient properties. Mr. Johnson was also the Co-Founder of Intrepid Security and it grew to become one of the largest security concert firms in Canada with offices in the US and Canada.
Diana Mark *Vancouver, British Columbia, Canada*	Corporate Secretary (September 22, 2021)	Mrs. Mark has over 30 years' experience in corporate and regulatory compliance, specializing in acting as Corporate Secretary of public companies in a variety of industries. She brings extensive experience with brokered and non-brokered financings, developing good corporate governance practices and assisting in maintaining strong boards. Over the years she has also developed extensive relationships with industry personnel and regulatory professionals.

(1) Member of the Compensation Committee.

(2) Chair of the Compensation Committee.

(3) Member of the Audit Committee.

(4) Chair of the Audit Committee.

(5) Member of the Governance Committee.

(6) Chair of the Governance Committee.

(7) Member of the Disclosure Committee.

(8) Chair of the Disclosure Committee.

As at the date hereof, the directors and senior officers of Northstar, as a group, beneficially own or control, directly or indirectly, 12,475,301 Common Shares or 9.9% of the issued and outstanding Common Shares on an undiluted basis. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

The directors listed above will hold office until the next annual meeting of the Company or until their successors are elected or appointed.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders

To the knowledge of management, no director or executive officer as at the date hereof, is or was within 10 years before the date hereof a director, CEO or CFO of any company (including Northstar), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of management, no director or executive officer of Northstar, or a Shareholder holding a sufficient number of securities of Northstar to affect materially the control of the company:

(a) is, as at the Effective Date, or has been within the 10 years before the Effective Date, a director or executive officer of any company (including Northstar) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(b) has, within the 10 years before the Effective Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

Penalties or Sanctions

No director, executive officer or Shareholder holding a sufficient number of securities of Northstar to materially affect the control of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Management of Northstar are, and may in future be, associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as officers and directors of the Company. Although the officers and directors are engaged in other business activities, the Company anticipates they will devote an important amount of time to Northstar's affairs.

The Company's officers and directors are now and may in the future become shareholders, officers or directors of other companies, which may be formed for the purpose of engaging in business activities similar to the Company's. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of Northstar or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, the Company does not have a right of first refusal pertaining to opportunities that come to their attention and may relate to its business operations.

The Company's officers and directors are, so long as they are officers or directors of Northstar, subject to the restriction that all opportunities contemplated by the Company's plan of operation which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to the Company and the companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If the Company or the companies with which the officers and directors are affiliated both desire to take advantage of an opportunity, then said officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still individually take advantage of opportunities if the Company should decline to do so. Except as set forth above, the Company has not adopted any other conflict of interest policy with respect to such transactions.

See "*Risk Factors – Risk Factors Relating to the General Economic, Political and Environmental Conditions – Conflicts of Interest*" for more information.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company's Audit Committee Charter is included as Schedule A to this AIF.

Audit Committee Composition

The following are the members of the Audit Committee as at the date hereof:

Audit Committee Members		
James Borkowski (Chair)	Independent(1)	Financially Literate(2)
Gregg J. Sedun	Independent(1)	Financially Literate(2)
Neil Currie(3)	Not Independent(1)	Financially Literate(2)

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of the issuer, is considered to have a material relationship with the issuer.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

(3) Mr. Currie is the former CEO and Corporate Secretary of the Company and a current Director. Mr. Currie resigned from his posts as CEO and Corporate Secretary of the Company on July 12, 2021.

Relevant Education and Experience

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience with analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

James Borkowski – Chairman

Mr. Borkowski has 25+ years of industry experience. During this time, Mr. Borkowski has served in executive roles for several private and public companies and has specialized in operations, product development and strategic communications. Mr. Borkowski holds a Chartered Director designation since 2016 and has served on multiple public company, private company and non-profit boards since 1993 in sectors including technology, resource, industrial and consumer products.

Gregg J. Sedun

Mr. Sedun has 40 years of legal and industry experience. Mr. Sedun is a former securities lawyer and industry executive who has served on numerous public company boards as a Chairman or as a director in various industries.

Neil Currie

Mr. Currie has 15+ years of capital markets experience with both public and private companies in the junior growth stage. Mr. Currie public company board experience.

Audit Committee Oversight

At no time since the commencement of the Company's financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the

Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees[(1)] ($)	Audit Related Fees[(2)] ($)	Tax Fees[(3)] ($)	All Other Fees[(4)] ($)
2022	$90,000	$70,442	39,075	Nil
2021	$47,250	Nil	Nil	Nil
2020	$47,750	Nil	Nil	Nil

(1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of our financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as audit fees. The services provided in this category include due diligence assistance, accounting consultations on proposed transactions, and consultation on International Financial Reporting Standards conversion.

(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.

(4) "**All Other Fees**" includes all fees other than those reported as Audit Fees, Audit-Related Fees or Tax Fees.

PROMOTERS

Neil Currie, a director of the Company, took the initiative in the primary organization of and completion by the Company of the Empower Amalgamation and accordingly is considered the promoter of the Company within the meaning of applicable securities laws. Mr. Currie beneficially owns 1,843,969 Common Shares, which represents 1.5% of the Common Shares outstanding as at the date of this AIF on an undiluted basis.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Northstar is not, and has not been at any time within the most recently completed financial year, a party to any legal proceedings, nor is or was Northstar's property the subject of any legal proceedings, known or contemplated, that involves a claim for damages exclusive of interest and costs that met or exceeded 10% of the Company's current assets.

Further, there have not been any (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2022, (b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, or (c) settlement agreements entered into by the Company before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2022.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein, or as previously disclosed, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or any shareholder holding more than 10% of the Common Shares or any associate or affiliate of any of the foregoing in any transaction within the three most recently completed financial years or during the current financial year or any proposed or ongoing transaction of the Company which has or will materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are MNP LLP, Chartered Professional Accountants, located at Suite 2200 – 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3.

The transfer agent and registrar for the Common Shares and Warrants is Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts which have been entered into by the Company or its As of the Effective Date, or which will be entered into prior to the Closing and which are regarded presently as material are:

1. Omnibus Equity Incentive Plan adopted by the Shareholders at the Company's annual general and special meeting of Shareholders held on December 15, 2021. A copy of the Omnibus Equity Incentive Plan is attached hereto as Schedule B;

2. Transfer Agent Agreement dated January 29, 2021 between the Company and Computershare, as transfer agent;

3. Warrant Indenture dated February 11, 2021 between the Company and Computershare, as warrant agent;

4. Escrow Agreement dated June 18, 2021 among the Company, Computershare, and certain securityholders of the Company. See "*Escrowed Securities*" for more information;

5. Empower Lease among Selarc Developments Ltd., Empower Delta, and Northstar. See "*Description of Business of the Company – Stage of Development – Empower Pilot Facility*" for more information;

6. McAsphalt Off-take Agreement between the Company and McAsphalt. See "*Description of Business of the Company – Production and Services – Outputs: Liquid Asphalt, Fibre, Aggregate*" and "*Description of the Business – Economic Dependence*" for more information; and

7. Calgary Facility Lease among the Company and the Landlord for the Calgary Empower Facility. See "*Description of Business of the Company – Stage of Development – Calgary Empower Facility*" for more information.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the Company's most recently completed financial year other than MNP LLP, the Company's auditors.

MNP LLP are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant bodies in Canada and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Northstar's securities and securities authorized for issuance under equity compensation plans is contained in Northstar's information circular for its most recent annual meeting of Shareholders held on July 28, 2022, a copy of which is located under Northstar's profile on SEDAR and can be made available to any person, upon request made to the CFO of Northstar, at 7046 Brown Street, Delta, British Columbia, V4G 1G8.

Additional financial information is provided in the Company's audited financial statements and MD&A for the fiscal year ended December 31, 2022, which are also available under Northstar's profile on SEDAR.

SCHEDULE A

AUDIT COMMITTEE CHARTER

[*See Attached*]

SCHEDULE B

OMNIBUS EQUITY INCENTIVE PLAN

[*See Attached*]