NORTHSTAR
CLEAN TECHNOLOGIES

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

Northstar Clean Technologies Inc.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)
As at September 30, 2023 and December 31, 2022

	September 30, 2023	December 31, 2022
ASSETS		
Current		
Cash	$ 8,545,043	$ 1,114,166
Receivables	29,003	-
GST receivable	52,575	207,389
Prepaids (Note 7)	112,264	98,481
Net investment in sublease (Note 3)	70,790	65,696
	8,809,675	1,485,732
Non-Current		
Deposits (Note 3)	735,792	624,091
Deferred costs	131,250	-
Property, plant and equipment (Note 4)	3,135,979	3,286,540
Intangible assets	37,262	25,686
Net investment in sublease (Note 3)	12,499	66,247
Right-of-use asset (Note 3)	4,151,335	1,340,761
	8,204,117	5,343,325
	$ 17,013,792	$ 6,829,057
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 1,330,917	$ 1,238,078
Equity based compensation payable (Note 10)	76,279	23,178
Loans payable (Note 5)	86,754	121,250
Convertible debentures (Note 6 and 7)	41,208	6,000
Lease liability (Note 3)	641,810	516,811
	2,176,968	1,905,317
Non-Current		
Loans payable (Note 5)	-	46,711
Equity based compensation payable (Note 10)	22,415	21,464
Convertible debentures (Note 6 and 7)	1,473,737	928,408
Contract liability (Note 2 and 9)	2,778,252	-
Lease liability (Note 3)	3,806,114	1,142,650
	10,257,486	4,044,550
Shareholders' equity		
Capital stock (Note 8)	28,137,041	25,448,274
Preferred shares (Note 2 and 9)	5,631,271	-
Reserves (Note 10)	3,970,220	3,534,330
Deficit	(30,982,226)	(26,198,097)
	6,756,306	2,784,507
	$ 17,013,792	$ 6,829,057

Nature and continuance of operations (Note 1)
Commitments and Contingencies (Note 14)
Subsequent events (Note 15)

On behalf of the Board:

"James Borkowski" Director   *"Aidan G. Mills"* Director

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

Northstar Clean Technologies Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
REVENUE				
Tipping fees	$ 63,288	$ -	$ 138,961	$ -
Recycling income	346	-	2,878	-
	63,634	-	141,839	-
RESEARCH AND DEVELOPMENT EXPENSES				
Contract consulting fees	58,430	111,002	300,166	373,461
Repairs and maintenance	304	4,255	84,845	9,093
Site materials	115,237	331,614	362,434	627,227
	(173,971)	(446,871)	(747,445)	(1,009,781)
GENERAL AND ADMINISTRATIVE EXPENSES				
Advertising, marketing and promotion (Note 7)	70,345	91,927	208,361	507,598
Bank charges, interest and finance charges (Note 3, 5, and 6)	167,025	53,055	424,273	169,346
Consulting fees (Note 7)	48,786	62,865	183,948	237,215
Depreciation (Notes 3, 4)	279,892	284,667	783,114	786,394
Insurance	29,301	28,382	82,782	99,658
IT and communications	17,898	18,321	68,224	123,884
Office and administration	4,142	12,583	25,964	43,851
Operating costs	27,686	-	54,219	-
Professional fees (Note 7)	116,380	69,725	386,210	413,213
Rent and utilities	67,158	102,616	240,538	264,495
Share-based compensation (Notes 7 and 10)	168,853	133,794	380,305	533,313
Transfer agent and regulatory fees	36,929	32,312	84,046	73,133
Travel	40,274	60,788	101,064	187,182
Wages and benefits (Note 7)	418,124	479,156	1,441,668	1,423,875
	(1,492,793)	(1,430,191)	(4,464,716)	(4,863,157)
OTHER ITEMS				
Foreign exchange gain (loss)	200,775	(1,472)	199,048	1,097
Other income	415	2,835	25,317	12,136
Loss on tax receivable	-	(130,522)	-	(130,522)
Interest income	2,366	3,936	8,444	15,181
	203,556	(125,223)	232,809	(102,108)
Income tax recovery (Note 6)	-	41,802	53,384	41,802
Loss and comprehensive loss for the period	$(1,399,574)	$ (1,960,483)	$ (4,784,129)	$ (5,933,244)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.04)	$ (0.06)
Weighted average number of common shares outstanding (basic and diluted)	126,710,381	106,750,903	119,117,889	106,283,437

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

Northstar Clean Technologies Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Number of Preferred Shares	Capital Stock	Preferred Shares	Reserves	Deficit	Total Shareholders' Equity
Balance, December 31, 2021	**106,125,903**	**-**	**$24,698,274**	**-**	**$ 2,571,477**	**$ (17,997,161)**	**$ 9,272,590**
Private placements (Note 8)	**1,250,000**	**-**	**500,000**	-	-	-	500,000
Share-based payments (Note 10)	-	-	-	-	503,243	-	503,243
Loss for the period	-	-	-	-	-	(5,933,244)	(5,933,244)
Balance, September 30, 2022	**107,375,903**	**-**	**$25,198,274**	**-**	**$ 3,074,720**	**$(23,930,405)**	**$ 4,342,589**
Balance, December 31, 2022	**108,000,903**	**-**	**$25,448,274**	**-**	**$ 3,534,330**	**$ (26,198,097)**	**$ 2,784,507**
Private placement – Common Shares (Note 8)	18,195,367	-	2,729,305	-	-	-	2,729,305
Share issue costs (Note 8)	-	-	(133,078)	-	56,305	-	(76,773)
Private Placement – Preferred Shares (Note 9)	-	29,244,756	-	5,702,727	-	-	5,702,727
Share issue costs (Note 9)	-	-	-	(71,456)	-	-	(71,456)
PSUs and RSUs settled (Note 10)	514,111	-	92,540	-	(92,540)	-	-
Equity portion of convertible debentures (Note 6)	-	-	-	-	142,654	-	142,654
Broker warrants (Note 6)	-	-	-	-	3,216	-	3,216
Share-based payments (Note 10)	-	-	-	-	326,255	-	326,255
Loss for the period	-	-	-	-	-	(4,784,129)	(4,784,129)
Balance, September 30, 2023	**126,710,381**	**29,244,756**	**$28,137,041**	**5,631,271**	**$ 3,970,220**	**$ (30,982,226)**	**$ 6,756,306**

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

Northstar Clean Technologies Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine months Ended September 30, 2023	Nine Months Ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (4,784,129)	$ (5,933,244)
Items not affecting cash		
Depreciation (Note 3 and 4)	783,114	786,394
Interest and finance charges on loans (Note 5 and 6)	170,735	16,714
Interest on investment in sublease (Note 3)	(8,296)	(12,908)
Share-based payments (Note 10)	380,305	533,313
Income tax recovery	(53,384)	-
Loss on tax receivable	-	130,522
Interest on lease liabilities (Note 3)	143,988	146,951
	(3,367,667)	(4,332,258)
Changes in non-cash working capital items		
GST receivables	154,814	22,465
Receivables	(29,003)	-
Prepaids	(13,783)	124,586
Accounts payable and accrued liabilities	43,278	140,858
Net cash flows used in operating activities	(3,212,361)	(4,044,349)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 4)	(212,017)	(771,876)
Acquisitions of intangible assets	(12,110)	-
Deposits paid (Note 3)	(111,701)	(15,043)
Proceeds from government PPE government grants	-	100,000
Net cash flows used in investing activities	(335,828)	(686,919)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible debentures, net of issuance costs (Note 6)	618,900	-
Proceeds from issuance of common shares, net of issuance costs (Note 8)	2,652,532	-
Proceeds from issuance of preferred shares, net of issuance costs (Note 9)	8,409,523	-
Deferred costs paid	(131,250)	-
Loan repayments (Note 5)	(91,050)	(61,863)
Lease payments paid (Note 3)	(479,589)	(418,825)
Subscriptions received (Note 8)	-	500,000
Net cash flows provided by (used in) financing activities	10,979,066	19,312
Change in cash during the period	7,430,877	(4,711,956)
Cash, beginning of period	1,114,166	5,948,876
Cash, end of period	$ 8,545,043	$ 1,236,920
Cash paid for interest	$ 154,362	$ 17,148

Supplemental disclosures with respect to cash flows (Note 11)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nature of operations

Northstar Clean Technologies Inc. ("Northstar" or the "Company") was incorporated on August 21, 2017 as Blocktech Ventures Inc. under the laws of the British Columbia Corporations Act. On August 4, 2020, the Company entered into an amalgamation agreement and on December 23, 2020, the Company completed an amalgamation with its subsidiary 1257848 BC Ltd. and Empower Environmental Solutions Ltd ("Empower") (the "Amalgamation"). Upon Amalgamation, the Company acquired all the shares of Empower (41,248,577 shares) by issuing 44,331,147 shares of the Company in exchange. Pursuant to the agreement, following completion of the transaction, Empower shareholders owned approximately 64.92% of the combined company resulting in the shareholders of the Empower controlling the Company. Accordingly, the transaction was considered a reverse takeover transaction ("RTO"). The head office and principal address of the Company is located at 1110-396 11th Ave SW, Calgary, Alberta T2R 0C5 and its current facility is located at 7046 Brown Street, Delta, British Columbia, Canada, V4G 1G8 (the "Empower Pilot Facility"). The Company's registered and records office is 7046 Brown Street, Delta, British Columbia, Canada, V4G 1G8.

The Company, through its wholly-owned subsidiary Empower Environmental Solutions Ltd., has developed a proprietary design process technology at its Empower Pilot Facility for taking discarded or defective single-use asphalt shingles, otherwise destined for already over-crowded landfills, and extracting the liquid asphalt, aggregate and fiber for usage in new asphalt, shingles, construction products and other industrial applications.

The Company is currently planning to construct and operate a scale up facility in Calgary, Alberta.

Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company incurred a significant operating loss of $4,784,129 during the nine months ended September 30, 2023 (September 30, 2022 - $5,933,244). Although the Company has a working capital surplus of $6,632,707 (December 31, 2022 $(419,585) it is currently unable to self-finance operations, has limited resources, no source of operating cash flow, and no assurances that anticipated production and tipping fee revenue will be sufficient to fund operations. As a result, the adverse conditions result in a material uncertainty that may cast significant doubt on the validity of the going concern assumption.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. downturn. 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. However, it is management's assumption that the Company will continue to operate as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of September 30, 2023. The Board of Directors approved the condensed consolidated interim financial statements for issue on November 28, 2023.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2022. However, this interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

Comparative Figures

Certain comparable figures have been reclassified to conform to current period presentation.

Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies. These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting with the exception of cash flow information.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. All financial information is expressed in Canadian dollars unless otherwise stated and has been rounded to the nearest dollar.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (Continued)

The consolidated financial statements include the accounts of the Company and its subsidiaries listed in the following table:

	Place of Incorporation	Effective interest at September 30, 2023	Effective interest at December 31, 2022
Empower Environmental Solutions Ltd.	BC, Canada	100%	100%
Empower Environmental Solutions Calgary Ltd.	Alberta, Canada	100%	100%
Empower Environmental Solutions Toronto West Ltd.	Ontario, Canada	100%	100%
1284041 BC Ltd.	BC, Canada	100%	100%

Significant Estimates & Judgements

Preferred Shares & Contract Liability

The determination of classification is an area of significant judgement given that there are multiple inputs into the determination of classification of preferred shares including the convertible nature, the obligation to pay dividends, the exclusivity period, licencing agreement, the ability of redemption, and other contractual matters. There is estimation uncertainty involved in the allocation of proceeds between the liability and equity components of the contracts.

3. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Right-of-use assets

The Company's right-of-use assets are entirely comprised of premises for operating facilities. The following is the continuity of the cost and accumulated depreciation of right-of-use assets as at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Cost		
Balance at beginning of period	**$ 2,260,140**	**$ 2,260,140**
Additions	**3,181,014**	-
Balance, end of period	**$ 5,441,154**	**$ 2,260,140**
Accumulated depreciation		
Balance at beginning of period	**$ 919,379**	**$ 459,690**
Depreciation	370,440	459,690
Balance, end of period	**$ 1,289,819**	**$ 919,380**
Net book value	**$ 4,151,335**	**$ 1,340,760**

Depreciation for the three-months ending September 30, 2023 is $140,595 (September 30, 2022 $114,922)

(Unaudited - Expressed in Canadian Dollars)

3. RIGHT-OF-USE ASSET AND LEASE LIABILITY (Continued)

Right-of-use assets (Continued)

The Company's Net investment assets ("NIS") are comprised of premises under lease and are sub-leased. The following is the continuity of the NIS asset as at September 30, 2023 and December 31, 2022:

Net investment in sublease	September 30, 2023	December 31, 2022
Balance at beginning of period	$ 131,943	$ 191,411
Lease payments received	(56,950)	(75,933)
Finance income	8,296	16,465
Value of net investment in sublease, end of period	83,289	131,943
Current portion	(70,790)	(65,696)
Non-current portion	**$ 12,499**	**$ 66,247**

Finance income for the three month period ended September 30, 2023 is $2,360 (September 30, 2022 - $3,936)

Lease liabilities

The following is the continuity of lease liabilities as at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Cost		
Balance at beginning of period	**$ 1,659,461**	**$ 2,103,465**
Additions	3,181,014	-
Lease payments	(536,539)	(634,367)
Interest accretion on lease liability	143,988	190,363
Balance, end of period	**$ 4,447,924**	**$ 1,659,461**
Current portion	(641,810)	(516,811)
Non-current portion	**$ 3,806,114**	**$ 1,142,650**

Variable lease payments for the three month period ending September 30, 2023 is $46,847 (September 30, 2022 - $44,751) and the variable lease payments for the nine month period ended September 30, 2023 is $145,228 (September 30, 2022 - $134,255).

Rent expense relating to short term rental for the three month period ended September 30, 2023 is $2,250 (September 30, 2022 - $14,450) and rent expense for the nine month period ended September 30, 2023 is $19,950 (September 30, 2022 - $44,700).

Interest accretion for the three month period ended September 30, 2023 is $66,213 (September 30, 2022 - $46,244)

In connection with the agreement for the lease, the Company made a deposit payment of $85,000 of which $37,800 was applied to the Basic Rent due in December 2015, and the balance of $47,200 was held as a security deposit. The Company renegotiated a new lease on January 1, 2021 and the security deposit held with the addition of $402,500 formed part of the new security deposit.

In connection with the lease agreement for Empower Calgary commencing on August 18, 2023, the Company made an initial deposit payment of $50,000 to be held as a security deposit for the term of the lease. See Note 14 for details on the lease commitment.

(Unaudited - Expressed in Canadian Dollars)

3. RIGHT-OF-USE ASSET AND LEASE LIABILITY (Continued)

Lease liabilities (Continued)

In connection with the NIS lease, the Company's lease term is until November 30, 2024. The current monthly basic rent is payable monthly in advance at a rate of $6,136 per month plus the proportion share of expense in respect of operating costs and property taxes. The Company entered into an assignment agreement whereby the assignee has accepted the terms of the Company's lease and is paying the lease payments directly to the Landlord. The landlord holds a security deposit of $10,043.

4. PROPERTY, PLANT AND EQUIPMENT

	Processing equipment	Storage Facility	Construction in progress	Furniture and Fixtures	Leasehold Improve-ments	Total
Cost						
Balance – December 31, 2021	**$ 28,210**	**$ 56,468**	**$ 3,159,573**	**$ 4,178**	**$ -**	**$3,248,429**
Additions	308,912	-	458,326	23,856	6,001	797,095
Transfers	3,130,765	-	(3,130,765)	-	-	-
Recovery of costs	-	-	(100,000)	-	-	(100,000)
Balance – December 31, 2022	**$3,467,887**	**$ 56,468**	**$ 387,134**	**$ 28,034**	**$ 6,001**	**$3,945,524**
Additions	65,058	-	194,243	2,277	-	261,578
Balance – September 30, 2023	**$3,532,945**	**$ 56,468**	**$ 581,377**	**$ 30,311**	**$ 6,001**	**$4,207,102**
Accumulated Depreciation						
Balance – December 31, 2021	**$ 24,802**	**$ 15,514**	**$ -**	**$ 2,709**	**$ -**	**$ 43,025**
Additions	604,209	8,191	-	3,309	250	615,959
Balance – December 31, 2022	**$ 629,011**	**$ 23,705**	**$ -**	**$ 6,018**	**$ 250**	**$ 658,984**
Additions	399,175	4,914	-	5,800	2,250	412,139
Balance – September 30, 2023	**$1,028,186**	**$ 28,619**	**$ -**	**$ 11,818**	**$ 2,500**	**$1,071,123**
Net Book Value						
Balance – December 31, 2022	**$2,838,876**	**$ 32,763**	**$ 387,134**	**$ 22,016**	**$ 5,751**	**$3,286,540**
Balance – September 30, 2023	**$2,504,759**	**$ 27,849**	**$ 581,377**	**$ 18,493**	**$ 3,501**	**$3,135,979**

During the year ended December 31, 2022 the Company transferred $3,130,765 from construction in progress equipment to processing equipment and as of February 1, 2022 the Company started recording depreciation on this equipment. The Company also received a $100,000 government grant from Alberta Innovates relating directly to capitalized engineering costs.

(Unaudited - Expressed in Canadian Dollars)

5. LOANS PAYABLE

	Equipment Loan
Loans payable:	
Balance – December 31, 2021	**$ 239,015**
Accrued interest	2,363
Repayment of loan and interest	(92,363)
Interest accretion on low interest loan	18,946
Balance – December 31, 2022	**167,961**
Less current portion	(121,250)
Long term portion	**$ 46,711**
Balance – December 31, 2022	**$ 167,961**
Accrued interest	1,050
Repayment of loan and interest	(91,050)
Interest accretion on low interest loan	8,793
Balance – September 30, 2023	**86,754**
Less current portion	(86,754)
Long term portion	**$ -**

Equipment loan:

The Company acquired $270,000 of equipment from a company controlled by an officer of the Company during the year ended December 31, 2021. The loan carries an annual interest rate of 1% per annum, secured by the equipment and repayable in monthly instalments of $5,000 plus interest for the first 6 months and $10,000 per month plus interest until fully paid. Interest payments began in July 2022. The equipment loan was recognized as the present value using a 10% market rate of interest. The difference was recognized as a shareholder contribution in reserves on low interest loan. The amount outstanding as at September 30, 2023 was $86,754 (December 31, 2022 - $167,961).

6. CONVERTIBLE DEBENTURES

Balance – December 31, 2021	**$**	**-**
Additions		924,179
Accretion		4,229
Accrued interest		6,000
Balance – December 31, 2022		**934,408**
Less Current portion		6,000
Long term portion	**$**	**928,408**
Balance – December 31, 2022	**$**	**934,408**
Additions		419,645
Accretion		119,684
Accrued interest		144,458
Interest paid out		(103,250)
Balance – September 30, 2023		**1,514,945**
Less current portion		41,208
Long term portion	**$**	**1,473,737**

<u>First Tranche</u>

On December 15, 2022, the Company issued $1,440,000 in aggregate principal amount of Convertible Debentures. The Convertible Debentures are unsecured, mature on December 15, 2025 and bear cash interest semi-annually at a rate of 10% per annum, calculated in arrears.

6. CONVERTIBLE DEBENTURES (Continued)

Holders may convert all or a portion of all the Convertible Debentures together with any and all accrued but unpaid interest on conversion amount at any time at a conversion price per Unit of $0.25 per Unit. Each Unit consists of one common share and one-half of one non-transferable warrant, with each Warrant entitling the holder to purchase one additional common share at a price of $0.35 per Warrant Share until December 31, 2025.

Northstar will be entitled to force the conversion of the principal amount and any accrued and unpaid interest then outstanding at the respective conversion price and interest conversion price on not more than sixty (60) days' notice and not less than thirty (30) days' notice in the event that the daily volume weighted average trading price of the shares on the Exchange is greater than $0.75 per share for ten (10) consecutive trading days of the shares on the TSXV preceding such notice.

The Company determines the carrying amount of the financial liability using present value of future cashflows with the principal amount of $1,440,000 and a market rate of interest of 25%. The debt component is being amortized using an effective interest rate of 26.56% over its remaining term. The liability component is then increased by accretion of the discounted amounts to reach the nominal value of the convertible notes at maturity which is recorded in the statements of loss and comprehensive loss as accretion expense.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the principal, and is presented in Equity as an equity component of convertible notes in reserves.

The transaction costs are distributed between liability and equity components on a pro-rata basis according to their carrying amounts. Included in transaction costs are 157,200 broker warrants valued at $15,406 which are exercisable to purchase on additional common share at $0.35 per share until December 15, 2025.

On initial recognition, the financial liability was recognized at its present value of $924,179, which represents the principal amount of $1,440,000 less $477,939 allocated to the equity component less transaction costs of $37,882. During the three month period ended September 30, 2023, the Company incurred interest expense of $36,000 (September 30, 2022 - $Nil) and accretion expense of $31,452 (September 30, 2022 - $Nil) and for the nine month period ending September 30, 2023 it incurred interest expense of $108,000 (September 30, 2022 - $Nil) and accretion expense of $90,629 (September 30, 2022 - $Nil). The equity component has been recorded net of deferred tax impacts resulting in the equity component being recorded at $335,157.

Management capitalized transaction costs which are directly attributable to the issuance of the Convertible Debentures. These transaction costs total $56,702 and have been netted against the principal amount of the debt and the equity option on a pro-rata basis.

As of September 30, 2023, $1,440,000 (December 31, 2022 - $1,440,000) principal amount of the Convertible Debentures are outstanding and $108,000 (December 31, 2022 - $6,000) interest has been accrued and $72,000 (December 31, 2022 – Nil) interest has been paid out.

<u>Second Tranche</u>

On February 28, 2023, the Company issued $625,000 in aggregate principal amount of Convertible Debentures. The Convertible Debentures are unsecured, mature on February 28, 2026 and bear cash interest semi-annually at a rate of 10% per annum, calculated in arrears.

Holders may convert all or a portion of all the Convertible Debentures together with any and all accrued but unpaid interest on conversion amount at any time at a conversion price per Unit of $0.25 per Unit. Each Unit consists of one common share and one-half of one non-transferable warrant, with each Warrant entitling the holder to purchase one additional common share at a price of $0.35 per Warrant Share until February 28, 2026.

6. CONVERTIBLE DEBENTURES (Continued)

Northstar will be entitled to force the conversion of the principal amount and any accrued and unpaid interest then outstanding at the respective conversion price and interest conversion price on not more than sixty (60) days' notice and not less than thirty (30) days' notice in the event that the daily volume weighted average trading price of the shares on the Exchange is greater than $0.75 per share for ten (10) consecutive trading days of the shares on the TSXV preceding such notice.

The Company determines the carrying amount of the financial liability using present value of future cashflows with the principal amount of $625,000 and a market rate of interest of 25%. The debt component is being amortized using an effective interest rate of 25.37% over its remaining term. The liability component is then increased by accretion of the discounted amounts to reach the nominal value of the convertible notes at maturity which is recorded in the statements of loss and comprehensive loss as accretion expense.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the principal, and is presented in Equity as an equity component of convertible notes in reserves.

The transaction costs are distributed between liability and equity components on a pro-rata basis according to their carrying amounts. Included in transaction costs are 24,000 broker warrants valued at $3,216 which are exercisable to purchase on additional common share at $0.35 per share until February 28, 2026.

On initial recognition, the financial liability was recognized at its present value of $419,645, which represents the principal amount of $625,000 less $199,005 allocated to the equity component less transaction costs of $6,350. For the three month period ended September 30, 2023 the Company incurred interest expense of $15,625 (September 30, 2022 - $Nil) and accretion expense of $13,265 (September 30, 2022 - $Nil) and for the nine months ended September 30, 2023 it incurred interest expense of $36,458 (September 30, 2022 - $Nil) and accretion expense of $29,055 (September 30, 2022 - $Nil). The equity component has been recorded net of deferred tax impacts resulting in the equity component being recorded at $142,654.

Management capitalized transaction costs which are directly attributable to the issuance of the Convertible Debentures. These transaction costs total $9,316 and have been netted against the principal amount of the debt and the equity option on a pro-rata basis.

As of September 30, 2023, $625,000 (December 31, 2022 – $Nil) principal amount of the Convertible Debentures are outstanding and $36,458 (December 31, 2022 - $Nil) interest has been accrued and $31,250 (December 31, 2022 - $Nil) interest has been paid out.

7. RELATED PARTY TRANSACTIONS AND BALANCES

(a) As at September 30, 2023, accounts payable and accrued liabilities include $714,571 (December 31, 2022 - $754,656) owing to companies with certain directors in common and companies controlled by certain directors and officers. The amounts are unsecured, non-interest bearing and due on demand.

(b) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. During the periods presented the Company paid or accrued the following key management personnel compensation to directors, officers, and/or companies controlled by directors and officers and/or companies with certain directors in common:

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Advertising, marketing and promotion	$ 15,000	$ -	$ 48,750	$ 53,800
Consulting fees	-	18,000	-	54,000
Professional fees	-	-	-	80,000
Wages and benefits	262,328	203,750	986,602	591,635
Share-based payment	157,546	81,755	288,154	353,191
	$ 434,874	$ 303,505	$ 1,323,506	$ 1,132,626

(c) On February 28, 2023 $50,000 (December 15, 2022, $360,000) was received in convertible debenture proceeds by officers or directors of the company.
(d) As at September 30, 2023, prepaids include $NIL (December 31, 2022 - $45,000) to a company controlled by a director.

8. CAPITAL STOCK

Authorized Share Capital:
Unlimited number of common shares without par value
Issuance of shares
During the period ended September 30, 2023, the Company completed the following share transactions:

- a non-brokered private placement of 18,195,367 units for aggregate gross proceeds of $2,729,305. Each unit consisted of one common share of the Company and one common share purchase warrant of the Company with each warrant entitling the holder thereof to acquire one additional common share at an exercise price of $0.20 per warrant for a period of 36 months following the closing date of the private placement. As part of the transaction, 511,819 broker warrants were issued at a price of $0.20 with an expiry of three years and a value of $56,305, and finders fees of $76,773 were paid. The residual value was used to value the common shares and warrants.
- Issued 514,111 common shares for equity settled PSUs and RSUs that vested on June 23, 2023.
- A non-brokered private placement of 29,244,746 preferred shares for gross proceeds of $8,480,979.

During the year ended December 31, 2022, the Company completed the following share transactions:

- Issued a total of 1,875,000 common shares for proceeds of $750,000. For the nine-months ended September 30, 2022, the Company received proceeds for subscriptions receipts related to this transaction in the amount of $500,000

9. PREFERRED SHARES

On July 31, 2023, Northstar received a signed subscription agreement from Allmine Paving, LLC, an affiliate of TAMKO Building Products LLC, for 29,244,756 Preferred Shares of Northstar at $0.29 per share for total proceeds of $8,480,979, which represents 18.75% ownership of Northstar once the transaction is complete. Preferred Shares are convertible to Common Shares at a ratio of 1:1.

(Unaudited - Expressed in Canadian Dollars)

9. PREFERRED SHARES (Continued)

As part of the transaction, Northstar also signed a Memorandum of Understanding ("MOU") with TAMKO Building Products LLC, relating to the proposed construction and operation of the first three shingle reprocessing facilities built by Northstar in the U.S. The agreement includes providing a supply agreement from the TAMKO facilities to the Empower facilities for asphalt shingles, a take or pay offtake agreement for the sale of asphalt oil and aggregate from the Empower facilities to the TAMKO facilities, a licensing agreement, and the obligation to purchase two sets of Northstar convertible debentures of $2,376,000 each after the acceptance of certain milestones in the Emissions Reduction Alberta Contribution Agreement.

As part of the MOU, TAMKO agreed to an exclusivity period that shall begin on the date the MOU was signed and shall end on the date that is three years following the acceptance by Emissions Reduction Alberta ("ERA") of certain milestones with ERA. This exclusivity period may be extended based on criteria set out in the MOU.

At the option of the Company, for a period of 60 days commencing after the expiration of the exclusivity period, the Series A Preferred Shares may be redeemed for an amount equal to the applicable original issue price, plus dividends declared but unpaid thereon. The Company will provide a redemption notice defining the redemption date(s), the number of shares to be redeemed and all other terms of the redemption. On each redemption date, the Company shall redeem in cash, on a pro rata basis in accordance with the number of Series A Preferred Shares owned by each holder, that number of outstanding Series A Preferred Shares determined by dividing (i) the total number of Series A Preferred Shares outstanding immediately before such redemption date by (ii) the number of remaining redemption dates (including the redemption date to which such calculation applies).

The proceeds received for the preferred shares, exclusivity right, licensing agreement and other contractual matters are allocated to their components by fair valuing the liability and allocating the remaining proceeds to the preferred share equity component. The liability item was fair valued at the differential between the traded common share price on the date of issuance and the price paid and amounts to $2,778,252 and is classified as a contract liability. The residual amount of $5,702,727 is classified as equity..

Management capitalized transaction costs which are directly attributable to the issuance of the Preferred Shares. These transaction costs total $71,456 and have been netted against the Preferred Shares which have been classified as an equity item.

10. RESERVES

Stock options

The Company grants stock options to acquire common shares to directors, officers, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option is as determined by the Board at the time of grant. Options vest as determined by the Board of Directors. The options can be granted for a maximum term of 10 years.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2021	**6,675,000**	**$ 0.35**
Issued	580,854	$ 0.35
Outstanding, December 31, 2022	7,255,854	$ 0.35
Issued	1,456,472	$ 0.21
Cancelled	(1,300,000)	$ 0.35
Outstanding, September 30, 2023	7,412,326	$ 0.33

Share-based compensation recognized for options vested during the three month period ended September 30, 2023 was $114,451 (September 30, 2022 - $2,440) and for the nine month period ended September 30, 2023 was $203,130 (September 30, 2022 - $142,178).

(Unaudited - Expressed in Canadian Dollars)

10. RESERVES (Continued)

Stock options (Continues)

Outstanding and exercisable stock options as at September 30, 2023:

		Number of Options	
Expiry Date	Exercise Price	Outstanding	Exercisable
December 15, 2024	$ 0.35	475,000	356,250
February 16, 2026	$ 0.35	2,500,000	2,500,000
June 12, 2026	$ 0.35	300,000	300,000
July 12, 2026	$ 0.35	2,100,000	2,100,000
December 15, 2026	$ 0.35	400,000	300,000
February 7, 2027	$ 0.35	200,000	150,000
April 19, 2027	$ 0.35	260,854	86,951
August 30, 2027	$ 0.35	20,000	20,000
March 2, 2028	$ 0.21	11,000	2,750
August 10, 2028	$ 0.21	1,145,472	750,000
Total Outstanding		**7,412,326**	**6,565,951**

The estimated remaining life of the stock options at September 30, 2023 is 2.95 years.

Outstanding and exercisable stock options as at December 31, 2022:

		Number of Options	
Expiry Date	Exercise Price	Outstanding	Exercisable
May 31,2023	$ 0.35	850,000	850,000
December 15, 2024	$ 0.35	625,000	312,500
February 16, 2026	$ 0.35	2,800,000	2,800,000
July 12, 2026	$ 0.35	2,100,000	2,100,000
December 15, 2026	$ 0.35	400,000	200,000
February 7, 2027	$ 0.35	200,000	50,000
April 19, 2027	$ 0.35	260,854	-
August 30, 2027	$ 0.35	20,000	-
Total Outstanding		**7,255,854**	**6,312,500**

The estimated remaining life of the stock options at December 31, 2022 is 2.95 years.

The fair value of stock options were calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 30, 2023	December 31, 2022
Expected volatility	123.84%	128%
Risk-free interest rate	3.95%	2.21%
Expected life	4.59 years	4.34 years
Dividend yield	-	-
Forfeiture rate	-	-
Range of exercise prices	$0.21-$0.35	$0.35
Range of share prices on date of issue	$0.15 - $0.21	$0.155 – $0.36
Estimated fair value per option	$0.139	$0.24

The expected volatility was estimated using the average historical volatility of comparable companies.

(Unaudited - Expressed in Canadian Dollars)

10. RESERVES (Continued)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2021	**25,184,738**	**$ 0.46**
Issued	157,200	$ 0.35
Outstanding, December 31, 2022	**25,341,938**	**$ 0.46**
Issued	18,731,186	$ 0.20
Expired	(19,487,149)	$ 0.50
Outstanding, September 30, 2023	**24,585,975**	**$ 0.225**

The weighted average share price on date of exercise was $0.225 and the estimated remaining life was 2.61 years

Outstanding warrants:

	Expiry Date	Exercise Price	September 30, 2023	December 31, 2022
	July 13, 2026 (1)	$ 0.279	4,596,268	4,596,268
Finders warrants	July 13, 2026 (1)	$ 0.279	406,249	406,249
	July 13, 2026 (1)	$ 0.465	490,615	490,615
Finders warrants	July 13, 2026 (1)	$ 0.465	204,457	204,457
	June 22, 2023	$ 0.500	-	17,472,584
Broker warrants	June 22, 2023	$ 0.500	-	2,014,565
	December 15, 2025	$ 0.350	157,200	157,200
	February 28, 2026	$ 0.350	24,000	-
Broker Warrants	April 19, 2026	$ 0.200	511,819	-
	April 19, 2026	$ 0.200	18,195,367	-
Outstanding and exercisable			**24,585,975**	**25,341,938**

(1) The warrants outstanding on acquisition were converted at a ratio of 1 old for 1.0747 new warrants on December 23, 2020 and the price was adjusted by the same ratio. All warrants were reissued on July 13, 2021, for a period of 5 years when the Company became publicly listed and trading, with a new expiry date of July 13, 2026. These warrants are non-transferable.

The fair value of warrants issued that were not subject to the residual value method was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 30, 2023	December 31, 2022
Expected volatility	127 - 128%	125%
Risk-free interest rate	3.75 -3.94%	0.42%
Expected life	3 years	2 years
Dividend yield	-	-
Estimated fair value per warrant	$0.11-$0.13	$0.19

(Unaudited - Expressed in Canadian Dollars)

10. RESERVES (Continued)

Restricted Stock Units and Performance Stock Units

The Company grants restricted stock units and performance stock units to employees as share-base payments enabling them to acquire up to 10,000,000 (June 30 - 6,500,000) of the issued and outstanding common stock of the Company. Under the plan, the quantity of each restricted stock unit is as determined by the Board at the time of grant. The maximum quantity of each performance stock unit is determined by the Board at the time of grant but the quantity is then adjusted at the first vesting date by the performance factor achieved during the performance period. The restricted stock units and performance stock units vest over 3 years. The fair value is determined using the stock price at the date of grant.

All Restricted Stock Units and Performance Stock Units were granted in the prior period.

Issued Restricted Stock Units and Performance Stock Units outstanding at September 30, 2023:

	Vesting Date	Issued	Cash Settled	Stock settled
2022 Restricted Stock Units	June 23, 2023	11,785	11,785	-
2022 Restricted Stock Units	March 31, 2024	130,424	11,785	118,639
2022 Restricted Stock Units	March 31, 2025 (1)	130,424	11,785	118,639
2023 Restricted Stock Units	September 7, 2024	296,605	29,464	267,141
2023 Restricted Stock Units	March 31, 2025	296,606	29,464	267,142
2022 Actual Performance Stock	June 23, 2023	256,663	256,663	-
2022 Actual Performance Stock	March 31, 2024	652,142	256,666	395,476
2022Actual Performance Stock Units	March 31, 2025	652,142	256,666	395,476
2023 Maximum Performance Stock	September 7, 2024	4,449,103	2,445,533	2,003,570
2023 Maximum Performance Stock	March 31, 2025	4,449,104	2,445,533	2,003,570
Total Restricted Stock Units and Performance Stock Units		**11,324,998**	**5,755,344**	**5,569,653**

6,375,003 of the Performance Stock Units were issued under the Company's Equity Incentive Plan and 4,949,995 were issued outside of the plan.

Issued Restricted Stock Units and Performance Stock Units outstanding at December 31, 2022:

	Vesting Date	Issued	Cash Settled	Stock settled
2022 Restricted Stock Units	June 23, 2023 (1)	130,424	11,785	118,639
2022 Restricted Stock Units	March 31, 2024	130,424	11,785	118,639
2022 Restricted Stock Units	March 31, 2025	130,424	11,785	118,639
2022 Actual Performance Stock Units	June 23, 2023	1,956,421	769,996	1,186,425
2022 Actual Performance Stock Units	March 31, 2024	1,956,421	769,996	1,186,425
2022 Actual Performance Stock Units	March 31, 2025	1,956,421	769,996	1,186,425
Total Restricted Stock Units and Performance Stock Units		**6,260,535**	**2,345,343**	**3,915,192**

The fair value of the Restricted Stock Units was calculated using the stock price at the date of granting and then amortized over the vesting schedule. The cash-settled Restricted Stock Units were re-valued at each reporting date and classified as liabilities.

10. RESERVES (Continued)

Restricted Stock Units and Performance Stock Units (Continued)

The fair value of the 2022 Performance Stock Units was calculated using the stock price at the date of granting multiplied by the anticipated achievable performance factor and then amortized over the vesting schedule. During the period ended September 30, 2023 the performance factor for the 2022 Performance Stock Units was approved at 100%, which applies to all three years of vesting and, as such, the Performance Stock Units have been adjusted in the current period to reflect the actual number of units that will vest. The cash-settled Performance Stock Units were re-valued at each reporting date and classified as liabilities.

The fair value of the 2023 Performance Stock Units was calculated using the stock price at the date of granting multiplied by the anticipated achievable performance factor and then amortized over the vesting schedule. The performance factor is determined by the Company's achievement of pre-determined company goals which were approved by the Board of Directors at the beginning of the performance year. During the period ended September 30, 2023 the performance factor for the 2023 Performance Stock Units was estimated at 100% (of a possible 300%), which applies to the two years of vesting. The cash-settled Performance Stock Units were re-valued at the September 30, 2023 reporting date and classified as liabilities.

Share-based compensation recognized for RSUs and PSUs vested during the three month period ending September 30, 2023 was $54,402 (September 30, 2022 - $27,944) and for the nine month period ending September 30, 2023 was $177,175 (September 30, 2022 - $85,851) of which $54,050 (September 30, 2022 - $30,070) is recorded as equity-based compensation payable.

During the period ending September 30, 2023 the company issued 395,472 common shares to employees as payment for the equity based Performance Stock Units and 118,639 common shares as payment to employees for the equity based Restricted Stock Units both of which vested on June 23, 2023 and were issued at a total value of $92,540.

The 11,785 cash-settled Restricted Stock Units and 256,663 Performance Stock Units that vested on June 30, 2023 have not yet been paid out.

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended September 30, 2023:
- No significant transactions.

Significant non-cash transactions during the year ended December 31, 2022:
- Property, plant and equipment included in accounts payable and accrued liabilities - $49,561.
- There was a loss on tax receivable of $130,522 relating to GST refunds that will likely not be received.
- Issued 157,200 Broker Warrants as finders fees on Convertible Debt issuance valued at $15,406.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Capital Management

The Company manages its capital to ensure that it will be able to continue as going-concern while maximizing the return to shareholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in Shareholders' Equity of $6,756,306

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or return capital to shareholders. There were no changes to the Company's approach to capital management during the period

12. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

a) Capital Management (Continued)

ended September 30, 2023. The Company is not subject to externally imposed capital requirements.

b) Financial Risk Management Objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

i) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with reputable banks in Canada. The long-term credit rating of these banks, as determined by Standard and Poor's, was A+.

ii) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due.

Accounts payables and accrued liabilities are paid in the normal course of business generally according to their terms. In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. As at September 30, 2023, the Company had $8,545,043 cash to settle current liabilities of $2,176,968 and as such, management believes the Company's exposure to liquidity risk is significant.

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company is not subject to interest rate risk.

iv) Foreign Currency Risk

The Company is exposed to foreign currency risk to the extent that monetary financial instruments are denominated in United States dollars. The Company has not entered any foreign currency contracts to mitigate this risk. The Company's sensitivity analysis suggests that a 10% change in the rate of exchange between the Canadian and United States dollar would have an insignificant impact on its results of operations as it held nominal financial assets and liabilities denominated in United States dollars.

(Unaudited - Expressed in Canadian Dollars)

12. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

c) Fair Value Measurement Recognized in the Condensed Consolidated Interim Statement of Financial Position

The following table summarizes the carrying values of the Company's financial instruments.

	September 30, 2023	December 31, 2022
Financial assets at fair value through profit or loss (i)	$ 8,545,043	$ 1,114,166
Financial assets at amortized cost (ii)	$ 29,003	$ -
Financial liabilities at amortized cost (iii)	$ 3,031,310	$ 2,385,089

(i) Cash
(ii) Trade receivables
(iii) Accounts payable and accrued liabilities and equity-based compensation payable, and loans payable, and convertible debentures.

The Company categorizes its financial assets and liabilities measured at the fair value into one of three different levels depending on the observability of the inputs used in the measurement.

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Cash is measured at fair value using Level 1 inputs.

The fair values of other financial liabilities approximate their carrying value, due to their short-term nature or market rate of interest with the exception of the related party equipment loan which bears interest at 1% but was recognized at present value using a 10% market rate of interest with the difference recognized as a shareholder contribution in reserves.

13. SEGMENTED INFORMATION

The Company currently operates in one business segment in Canada, being the repurposing and reprocessing of asphalt shingles and the extraction and recovery of asphalt cement, fiberglass/felt and mineral aggregates to be sold and used in asphalt pavement, shingle manufacturing, construction products, and other industrial applications.

14. COMMITMENTS

Lease Commitments

Calgary

Northstar's wholly owned subsidiary, Empower Environmental Solutions Calgary Ltd., negotiated a new lease for the planned scale up facility in Rocky View County, near Calgary, Alberta effective August 18, 2023 for an initial term of 15-years with an option to extend for two additional 5 year terms.

(Unaudited - Expressed in Canadian Dollars)

The basic annual rents are as follows:

- from August 18, 2023 to August 17, 2028 - $346,516 per annum
- from August 18, 2028 to August 17, 2033 - $381,168 per annum, and
- from August 18, 2033 to August 17, 2038 - $419,284 per annum

Delta

Northstar's wholly owned subsidiary, Empower Environmental Solutions Ltd., has a 5-year lease for the pilot facility in Delta, BC., which expires December 2025, but has a 5 year renewal option. The basic annual rents remaining are al follows:

- from January 1, 2023 to December 31, 2024 - $583,563 per annum
- from January 1, 2025 to December 31, 2025 - $609,838 per annum

Loans Payable

Principal payments due within 1 year	$90,000

Contract Commitments

The Company has entered into contracts with the following vendors relating to the purchase of equipment for the new Calgary facility:

HAZEMAG CANADA INC.	$1,027,600 USD
LCI Corporation	$ 994,515 USD
Stellar Power & Control Systems	$ 609,151 CAD

15. SUBSEQUENT EVENTS

On October 4, 2023 the Company issued 25,000 stock options to an employee of the company

On November 21, the Company announced a private placement offering of unsecured convertible debenture units of the Company at a price of $5,000 per Convertible Debenture Unit for aggregate proceeds of up to $3,500,000 on both a brokered and non-brokered basis.