ReGen III Corp.

MANAGEMENT DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2024

As at November 27, 2024

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Introduction

ReGen III Corp. (the "Company") was incorporated under the laws of British Columbia, Canada and continued its incorporation into Alberta on December 6, 2017. The Company's wholly owned subsidiaries, ReGen III (Alberta) Inc., was incorporated under the provincial laws of Alberta on November 1, 2017, and ReGen III (USGC) Corporation, was incorporated in Delaware, USA on October 29, 2021. The Company's indirect subsidiaries, RG3 Texas Holdings LLC was incorporated in Delaware, USA on March 16, 2022, and is wholly owned by ReGen III (USGC) Corporation and RG3 Texas LLC was incorporated in Delaware, USA on March 16, 2022, and is wholly owned by RG3 Texas Holdings LLC. RG3 Texas LLC is intended to be the Texas project operations entity and RG3 Texas Holdings LLC is intended to be the investment holding entity, where project-level funding from the Company, equity providers and the debt providers will be contributed. ReGen III (Alberta) Inc. is intended to hold the assets of a used motor oil recycling facility in Alberta, should the Company proceed further in Alberta.

The Company's shares are listed on the TSX Venture Exchange under the symbol "GIII," the OTCQB under the symbol "ISRJF" and the Frankfurt Exchange under the symbol "PN4".

This Management Discussion & Analysis ("MD&A") of the Company has been prepared by management as of November 27, 2024 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts referred to herein are in Canadian dollars unless otherwise stated.

The Company's registered office address is Suite 3810, Bankers Hall West, 888 3 St SW, Calgary, AB T2P 5C5, Canada.

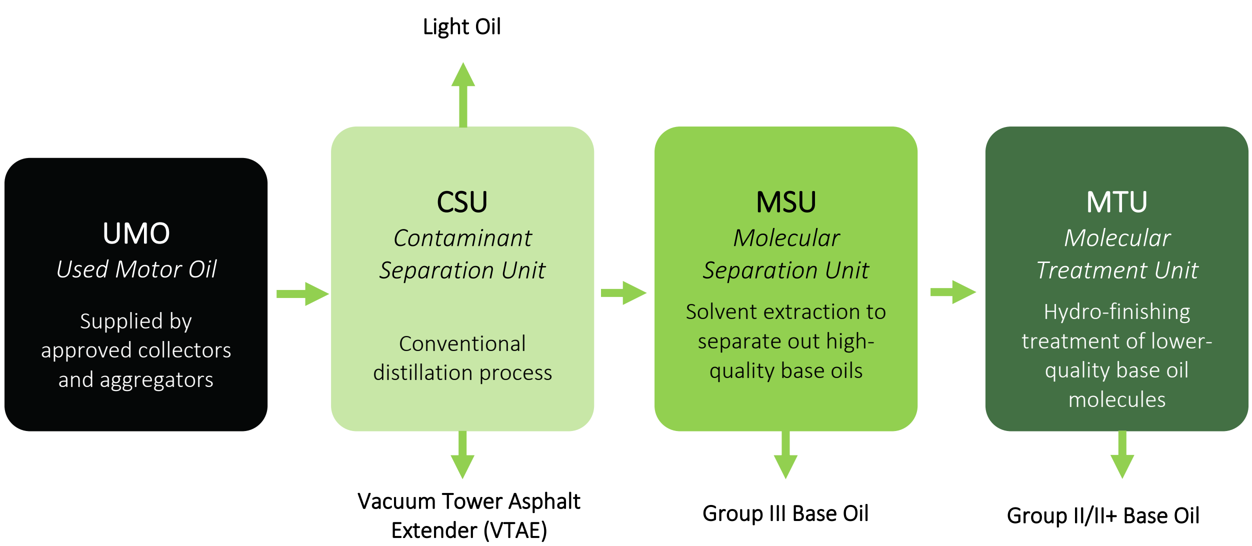
The Company acquired, on an exclusive basis in February 2017, technology ("ReGen™ technology") that enables the production of Group II and Group III base oils from the recycling (also known as "re-refining") of used motor oil. Group III oil is also known as "synthetic" base oil and is used in higher-performance internal combustion and gas turbine engines. The Company currently holds eleven (11) ReGen™ patents that have been granted in North America, nine (9) other ReGen™ patents that have been issued in India, Singapore, Malaysia, Egypt and Saudi Arabia. The Company also holds twelve (12) additional ReGen™ patent applications worldwide that are pending.

Forward Looking Information

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning applicable to Canadian legislation. These statements relate to future events or the future activities or performance of the Company, statements that involve financial projections, substantial known and unknown risks and uncertainties, certain of which are beyond the control of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are typically identified by words such as: may, would, could, will, likely, believe, expect, anticipate, intend, plan, estimate, postulate and similar expressions or which by their nature refer to future events and the negative form thereof. Forward-looking statements include, but are not limited to, the quantity and quality of the recycled products that might be produced; the cost of construction of the ReGen™ recycling facility; raising sufficient capital to support the business plan; the estimated operating costs for the facilities; the market for the finished products; the anticipated annual recurring revenue derived from those operations; and statements regarding expectations to enter into the oil recycling business.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information including, among other things, delays in obtaining or failure to obtain required governmental, environmental or other project approvals, changes in national or local government legislation or regulations regarding environmental factors, royalties, taxation or foreign investment, political or economic instability, terrorism, inflation, changes in currency exchange rates, fluctuations in commodity prices, delays in the development of projects, shortage of personnel with the requisite knowledge and skills, dependency on equity market financings to fund programs. In addition, forward-looking information is based on various assumptions including, among other things, the expectations and beliefs of management, the assumed long-term price of various commodities, the availability of permits and access to financing, equipment and labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or others.

ReGen™ Technology – Recycling Used Motor Oil



The patented ReGen™ technology process recycles used motor oil ("UMO") through three stages, as shown in the diagram above. In the first stage, a Contaminant Separation Unit separates the UMO of basic contaminants such as water, metals, and other additives. This creates a product called a Vacuum Gas Oil ("VGO") that contains the lube molecules. In the second stage, the Molecular Separation Unit ("MSU") separates the higher-quality lube molecules from the lower-quality lube molecules. This produces the Group III base oil. The lower-quality base oil of the MSU process stage is then taken to the Molecular Treatment Unit where it is exposed to hydrogen to upgrade its quality to Group II/II+ base oil.

The ReGen™ technology is expected to capitalize on increasing demand for high-quality re-refined base oils, efficient UMO recycling, and resource conservation as greater emphasis is placed on the reduction of carbon dioxide equivalent emissions that are created from the burning of UMO. The following conclusion contained in a December 2020 congressional report made by the Secretary of Energy, the Administrator of the EPA and the Director of the Office of Management and Budget under direction of Public Law 115-345 addressed to the United States Congress including the Senate and the House of Representatives titled *"Used Oil Management and Beneficial Reuse Options to Address Section 1: Energy Savings from Lubricating Oil Public Law 115-345"* (available at energy.gov) ("the DOE Report") provides the following conclusion which is illustrative of increasing demand:

> "*[c]onservation and recycling of the [United States'] used oil 'resource' makes sense. It extends the life of our national crude oil resources, it reduces the likelihood of improperly disposed of used oil making its way into the environment to contaminate soil and water, and it is energy efficient, as it can take less energy to recycle used oil than to create new lubricating oil from virgin crude oil. Further, used oil recycling supports thousands of direct and indirect jobs, generates tax revenue and helps provide consumers with a range of economical product choices. Government policies that help to ensure a well-functioning used oil marketplace will help to deliver these benefits.*"

The ReGen™ technology recycles UMO to produce base oils (Group III synthetic grade and Group II and Group II+ base lubricating oil), light oil and vacuum tower asphalt extender ("VTAE") used in the roofing and road asphalt industries. Recycling UMO into base oils can be done repeatedly because the base oils used in passenger car motor oil formulations do not break down and are not consumed by an internal combustion engine, unlike UMO that is recycled into vacuum gas oil or other fuels.

The Company intends to use the ReGen™ process to upcycle UMO into Group III (synthetic grade) lubricating base oils, a higher-value product relative to those produced in traditional re-refining.

Additionally, using ReGen™ technology to recycle UMO is expected to be a substitute for, and mitigate the impact of, current practices of burning used oil (as burner fuel used primarily in heavy industrial and asphalt plants), which contributes significant amounts of heavy metals, soot, sulfur, greenhouse gases, and other air contaminants as pollution by-products that result from these industrial processes. These emission issues are now facing increased scrutiny from the public and governments as they try to reduce carbon dioxide emissions to address climate change, or by disposing of it to the land/water which has been recognized as a significant environmental hazard whereby "used oil from one oil change can contaminate one million gallons of fresh water – a year's supply for 50 people" as quoted from https://www.epa.gov/recycle/managing-reusing-and-recycling-used-oil.

The ReGen™ technology process is a combination of traditional refining industry-standard operations, combined in what the Company believes is a unique configuration, at specific design temperature and pressure settings, that results in the production of recycled base lubricating oils. The ReGen™ technology is capable of producing Group III (synthetic grade) motor oil in a commercial scale recycling operation. Traditional UMO recycling facilities typically utilize a two-stage recycling process to produce Group I and Group II base lubricating oils. Hydrotreating is used extensively, which is energy intensive and consumes more hydrogen than a recycling process that utilizes the ReGen™ technology.

Pilot testing of the ReGen™ technology has been conducted in a 5 barrel per day ("bpd") demonstration plant run continuously for several thousand hours in 2007 and 2009 using UMO feedstocks sourced from multiple suppliers. In the pilot testing, output base oil production was analyzed and proved to meet American Petroleum Industry ("API") "Group III" specifications. In March 2009, Oak Ridge National Laboratory assessed the data from the pilot testing and concluded that the ReGen™ re-refining process had an excellent chance of success due to its process flexibility, high base oil yields of two grades, and relatively low energy intensity.

In December 2016, the Company entered contracts for engineering studies with Stantec Consulting Ltd. ("Stantec") and WSP Canada Inc. ("WSP") to validate the prototype plant findings. WSP's report dated March 14, 2017, stated that the ReGen™ recycling technology process is "technically sound" and that "construction and operation of the proposed re-refinery should provide finished products equivalent or greater than those contained in previous engineering studies." Stantec's March 2017 report indicated that the "ReGen technology is technically viable and capable of producing high quality base oils meeting requirements of API 1509 Groups II and III".

In October 2017, Process Dynamics, now Duke Technology, performed pilot testing for the Molecular Treatment Unit ("MTU") proving out the yields and quality of the Group II/II+ base oil. Subsequently, Koch Modular Process Systems ("Koch Modular"), a joint venture with Koch-Glitsch (a subsidiary of Koch Industries), performed pilot testing for the

Molecular Separation Unit ("MSU") over the course of two periods: August 2018 and January 2019. The pilot studies generated Group III product samples and confirmed the quality and yields (53%) of Group III base oil. In 2024, Koch Modular conducted additional pilot studies on the MSU to produce base oil samples for potential offtake buyers and to validate feedstock properties, product yields, and API characteristics.

In 2019, the Company's 5W-20, 5W-30, and 10W-30 passenger car motor oil ("PCMO") formulations were listed on the Directory of Licensees published by API and available at engineoil.api.org. This enables the Company's Group III base oil to be included in API licensed PCMO formulations and enables blenders of finished motor oils to rely on the quality of the Company's Group III base oils.

Texas Facility

The Company is in the process of developing its first commercial UMO recycling facility in Texas City, Texas. With a design capacity of 5,600 bpd, the facility is expected be the first commercial deployment of the Company's ReGen™ technology and produce 4,200 to 4,400 bpd of base oil, including approximately 3,000-3,200 bpd of Group III base oil with annual UMO input volumes of approximately 82 million gallons. The Company has selected a site on the U.S. Gulf Coast, and together with Koch Project Solutions, LLC ("KPS"), completed FEL-1, FEL-2, and value engineering, and prepared an interim project cost estimate, which will be used as the basis for the final project cost estimate prepared at the end of FEL-3.

Currently, the Company is pursuing offtake agreements for the facility and pending financing, intends to execute the FEL-3 program in a manner that minimizes exposure to the escalating cost of goods and services. Throughout FEL-3, ReGen III will perform market checks to determine whether strategic placement of long-lead orders is warranted. Early equipment orders can help to reduce the overall project schedule and, if timed properly, reduce the overall project cost. The timing and delivery of these orders will largely dictate the onstream date, which is expected to range from 24 to 30 months following the Final Investment Decision ("FID").

At the end of FEL-3 and subject to a final agreement, an engineering, procurement and construction ("EPC") contractor is anticipated to lead the Company's engineering, construction, and vendor teams through the completion of detailed design, construction, commissioning, and start-up. The Company intends to wrap all elements of project delivery under an EPC contractor, providing the Company with a single point of responsibility for engineering, construction, commissioning, and start-up.

The construction and development of the Texas Facility is expected to take place once the FID is made. The Company is currently in the process of defining the FEL-3 budget and remaining scope, pursuing financing opportunities, and evaluating engineering, procurement and construction quotes to complete FEL-3. FID may be made prior to the completion of the preliminary steps.

Preliminary Steps	
FEL-2 for Stage 1	Completed
FEL-2 for Stage 2	Completed
FEL-2 for Stage 3	Completed
Front end engineering design for balance of plant and utilities (FEL-2 and FEL-3)	FEL-2 - Complete FEL-3 - Initiated
Geotech, survey, and other site services	Initiated
Permitting consultants	Ongoing
Project management, support, and execution services	Ongoing
Site enabling and approvals activities	Ongoing

Advario Site

On July 5, 2021, the Company entered a non-binding Letter of Intent (the "Advario LOI") with Advario North America (formerly Oiltanking North America) ("Advario") to guide discussions regarding the construction and operation of a UMO recycling facility at Advario's Galveston County Terminal site ("AGAL"). AGAL specializes in handling specialty chemicals and petrochemicals, with over 87,000 cubic meters of storage capacity and significant expansion potential. Under the LOI, Advario will (1) design, construct, operate, and maintain storage tanks, loading/unloading facilities, and logistics assets for the UMO recycling facility (the "Advario Assets"), and (2) enter into a Terminal Services Agreement and a long-term ground lease with the Company.

To date, Advario has:

- Issued a Letter of Readiness (LOR) for designing and developing storage and logistics assets for the UMO recycling facility.
- Completed Front-End Loading (FEL) engineering validation (FEL-2) and received an independent engineering report from Burns & McDonnell.
- Signaled readiness to proceed to FEL-3, which will finalize equipment design, cost estimates, schedules, and critical decisions for the Advario Assets to support the UMO recycling facility.

Other Facilities

Concurrent with development of the Texas Facility, the Company is exploring opportunities to develop ReGen™ UMO recycling facilities at other locations in Canada, the United States, Mexico, South America, Europe, Australia, and other markets. The Company is also investigating acquisition with retrofit opportunities and licensing opportunities for the ReGen™ technology to access non-core markets and/or accelerate market penetration of ReGen™.

Offtake

The Company's Group III base oil has successfully passed rigorous testing by Afton Chemicals, Castrol, several majors, super-majors and global blenders, meeting or exceeding American Petroleum Institute ("API") standards. Since the end of Q1 2023, when the Company's previous agreement with BP Products North America was terminated due to project financing time limits, in addition to its own outreach, the Company has been approached by a broad spectrum of super-majors, majors, globally recognized lubricant blenders and international traders interested in advancing commercial base oils and ancillary by-products offtake arrangements and/or potential strategic equity investments at the project level.

The Company has entered into non-disclosure agreements ("NDAs") with these parties and physical samples of ReGen III's Group III base oils have been sent to a number of these entities for in-house laboratory testing. The results received from the various offtake parties have been positive. In April 2024, the Company received a Letter of Intent ("LOI") for Group II and Group III offtake.

To meet offtake purchaser demand for additional samples of base oil products, in Q1 2024 Koch Modular commenced additional pilot testing. The pilot study concluded early in Q3 2024 and produced high-quality Group III base oil for delivery to interested offtake parties. Subsequently, the Company has advanced negotiations with several offtake parties, with numerous technical experts and procurement teams having been engaged. The Company is continuing to receive test results, confirming Group III base oil quality.

While the Company believes its ongoing discussions with offtake parties should lead to a material outcome, the completion of an offtake agreement or strategic equity investment will be subject to satisfactory sample testing, due diligence review and the negotiation/execution of a definitive agreement. There can be no assurance that a transaction will be completed.

UMO Supply

The Company prepared and secured non-binding UMO feedstock supply letters of intent (each, a "UMO LOI") in excess of 44 million gallons annually and continues to negotiate further UMO LOIs in excess of the full UMO feedstock requirements of the Texas Facility. These UMO LOIs provide supply coverage of UMO feedstock for periods of two to five years per supplier and outline key commercial terms, including UMO specifications, pricing terms, and delivery terms. Commercially sensitive and confidential negotiations are ongoing and are expected to continue with each of the interested vendors pursuant to the UMO LOIs in parallel with ongoing financing discussions, with the intention to enter into binding feedstock supply contracts on terms that are agreeable to the Company. The Company does not yet have any formal supply agreements in place.

GHG Credits

Based on conversations with the Company's greenhouse gas qualification consultants, Radicle (formerly Carbon Credit Solutions Inc.), GHD Group PTY Ltd. ("GHD"), and ClearBlue Markets ("ClearBlue"), the Company expects that the ReGen™ technology may qualify for greenhouse gas credits. In June 2022, GHD completed its Lifecycle Assessment study ("LCA") for the Company's proposed 5,600 bpd Texas Facility. In its report, GHD used greenhouse gas ("GHG") lifecycle analysis to compare the global warming impact of ReGen III's process to the production and end of life scenarios of base oils. Based on GHD's Scope 1-3 emissions analysis, GHD concluded that the lifecycle of carbon dioxide equivalent ("CO_2e") emissions from the Company's ReGen™ process are expected to be 82% lower than traditionally refined base oils combusted at end of life. Furthermore, GHD stated that using the ReGen™ process may reduce up to 903,000 mt CO_2e / year from entering the atmosphere by preventing combustion at end-of-life and by producing base oils more efficiently than the equivalent production from virgin crude oil. This would be the equivalent of removing 195,000 passenger vehicles from the road for a year based on the United States Environmental Protection Agency's GHG equivalency calculator.

Based on these findings, the Company continues to explore opportunities to monetize GHG credits from its Texas facility; in February 2024, ReGen III engaged ClearBlue Markets, an award-winning environmental consultancy firm, to complete an initial pre-feasibility study on ReGen III's eligibility for voluntary greenhouse gas offset credits. As part of its pre-feasibility assessment, ClearBlue evaluated applicable methodologies, conducted high-level additionality tests, and estimated potential GHG credit volumes under various methodologies. Based on its analysis, ClearBlue concluded that the monetization of GHG credits is feasible at present and prepared a framework outlining the high-level steps to monetize voluntary GHG credits.

Financing Update

Equity and Debt Financing

On October 24, 2024, the Company closed the initial tranche of a non-brokered private placement financing of 2,650,000 units of the Company at a price of $0.20 per unit for gross proceeds of $530,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of $0.30 per share until October 24, 2027. If, at any time after February 25, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of $0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of $12,750 for subscriptions processed through arm's length brokerage houses. Related parties of the Company purchased 625,000 Units.

On November 22, 2024, the Company closed the final tranche of a non-brokered private placement financing of 1,800,000 units of the Company at a price of $0.20 per unit for gross proceeds of $360,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of $0.30 per share until November 22, 2027. If, at any time after March 23, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of $0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of $7,000 for subscriptions processed through arm's length brokerage houses. On an aggregate basis, across the initial and final tranche of the non-brokered private placement, the company issued 4,450,000 units for gross proceeds of $890,000.

In November and December 2023 and May and July 2024, the Company closed an aggregate 4,075 Convertible Debenture Units (the "Units") for aggregate gross proceeds of $4,075,000, pursuant to its non-brokered private placements (the "Placement"). The Company paid aggregate finder fees of $136,500 in cash.

Each Unit consists of $1,000 in principal amount of unsecured convertible debenture (a "Debenture") and 1,000 common share purchase warrants (a "Warrant"). Each Warrant is exercisable to purchase one common share at a price of $0.55 for a period of 24 months after closing.

The Debentures have a term of 24 months from date of issuance and will accrue interest at a rate of 14% per annum, payable in arrears on a semi-annual basis, and on maturity. After 12 months from issuance date, the Company may, subject to the prior approval of the TSX Venture Exchange (the "Exchange"), elect to pay outstanding interest in common shares ("Interest Shares") at a price per share equal to the greater of (i) the volume weighted average price of the common shares on the Exchange for the five (5) trading days prior to the date such interest is due, and (ii) the Discounted Market Price (as defined by the Exchange) at that time.

The Debentures will be convertible at the option of the holder into common shares at a price of $0.55 per common share. After four (4) months from issuance date, the Company may redeem the Debentures in whole or in part by payment of 115% of the principal amount being redeemed, in cash, together with payment of any accrued but unpaid interest on the principal amount being redeemed, in cash or Interest Shares or a combination thereof.

Brad White, a director of the Company, acquired ownership or control of 545 Units, and which if immediately converted and exercised respectively as of closing, would result in the issue of 1,535,908 common shares of the Company.

Project Financing

a) Export Development Canada

On November 7, 2018, the Company announced that it received a non-binding term sheet (the "EDC Term Sheet") from Export Development Canada ("EDC") for a term loan for up to $72 million (the "Proposed EDC Loan") to finance a UMO recycling facility in Alberta. On March 31, 2020, the Company secured an extension of the terms available under the EDC Term Sheet until March 31, 2021. The EDC Term Sheet expired on March 31, 2021. During Q1 2021, the Company was unofficially informed by EDC the funds remain intact and available to the Company. Separately from the discussions between the Company and EDC regarding a UMO recycling facility in Alberta, EDC also informed the Company it was willing to complete preliminary due diligence to structure a term sheet proposal for the Texas Facility. The Company provided supporting documentation to EDC and the Trade Law Bureau of Global Affairs Canada which resulted in a formal letter of interest being received from EDC on June 24, 2021. On November 5, 2021, the Company received preliminary indicative terms for a project-level, US$108 million senior credit facility from EDC. EDC is agreeable to the Company bringing qualified financing partners alongside EDC in a senior secured position. Finalizing the indicative terms remains subject to further EDC due diligence. The Company expects to provide EDC further engineering data once FEL3 commences.

On March 24, 2022, the Company entered into an agreement with EDC to engage independent engineering consultants to complement its in-house technical team's due diligence process for the proposed EDC loan. The Company, in conjunction with EDC, has also selected an independent market advisor. The agreement has an estimated value of approximately US$190,000 and is billed to the Company on a time and materials basis. To-date, U$23,000 has been paid.

b) Private Equity Firm

On February 3, 2022, the Company announced that the Company and a U.S. based multi-billion-dollar, green energy infrastructure focused, private equity firm ("PE Firm"), subject to the signing of the definitive agreements, had reached an equity agreement for the development, construction, financing and ownership of the Company's Texas used lubricating oils recycling facility and a partnership framework for financing future projects. According to the terms of a non-binding letter of intent signed on July 26, 2022, the PE Firm's designated affiliate will commit a minimum of US$75 million up to a maximum of US$150 million in the Company's Texas recycling project. In return, the PE Firm will receive a 14.4% preferred return on funds invested plus 50% ownership in the project (the "Project-Level Financing"). Upon closing of the Project-Level Financing, the PE Firm's affiliate will appoint a yet to be determined number of directors to the Texas project holding company.

At the conclusion of the technical due diligence process, five draft definitive agreements were received from the PE Firm. Final terms have not yet been agreed to on a handful of remaining clauses contained in the draft Definitive Agreements. In order to provide efficient corporate structures for debt and equity investments at the Texas project level, the Company established two US subsidiaries: (1) the Texas project operations unit, RG3 Texas LLC; and (2) the investment holding unit, RG3 Texas Holdings LLC, where project-level funding from the Company, the PE Firm and the debt providers will be contributed.

c) National Bank Financial Inc.

National Bank Financial Inc. has been engaged on a non-exclusive basis to provide financial advisory and investment banking services in support of existing and proposed project-level financing structures. National Bank Financial Inc. will also advise and assist the Company with the evaluation and execution of other strategic opportunities. National Bank Financial Inc. is a wholly owned subsidiary of National Bank of Canada, a leading, full service Canadian financial institution.

d) Raymond James

The Company has engaged Raymond James & Associates Inc. (“Raymond James”), a subsidiary of Raymond James Financial, Inc. to assist the Company in identifying and pursuing acquisition opportunities and may provide other financial advisory services in connection with such acquisitions as requested by the Company and to act as an initial purchaser or placement agent to the Company for debt instruments or debt obligations issued by the Company to finance the Company’s Texas recycling project. The placement of these debt instruments may include the participation of commercial lenders and/or certain United States governmental agencies. The services to be provided by Raymond James are over and above the existing debt proposals the Company received from lenders such as EDC.

e) U.S. Department of Energy Loan Programs Office

Following a detailed pre-application consultation process between August 2023 and February 2024, ReGen III, on behalf of its subsidiary RG3 Texas LLC, submitted its Part I application to the U.S. Department of Energy (“DOE”) Loan Programs Office (“LPO”) under the Title 17 Clean Energy Financing Program (“Title 17”). With funding available through the Inflation Reduction Act (“IRA”) of 2022, LPO can finance projects in the United States that support clean energy deployment and energy infrastructure reinvestment to reduce greenhouse gas emissions and air pollution. In June 2024, the LPO informed the Company that its 5,600 barrel per day RG3 Texas LLC Project meets the definition of an eligible Innovative Energy Project, marking a milestone in the application process. This determination by the LPO enables the Company to commence its Part II Application for a loan guarantee under Title 17. The DOE-guaranteed loan, if awarded, would provide non-dilutive financing for up to 70% of eligible project costs associated with the engineering and construction of the Company’s proposed UMO re-refinery in Texas City, Texas.

The general application process for Part II is similar to Part I. Following the preparation and collection of required information, including the near completion of FEED and advancement of key contracts, applicants submit a draft Part II application to LPO for feedback. Upon review, LPO will determine whether the Part II application is eligible to be formally submitted for evaluation.

In addition to the LPO, the Company is exploring other debt financing options and other incentives available to clean technology projects.

Results of Operations

Variance Analysis

The following table sets forth selected expense items that have significant variances between the three and nine months ended September 30, 2024 and 2023.

	Three months ended September 30,		Nine months ended Septmeber 30,	
	2024	2023	2024	2023
	$	$	$	$
Plant engineering and design	224,126	91,210	713,197	221,178
Professional fees	109,063	356,199	484,862	747,592
Salaries and benefits	405,754	547,403	1,470,202	1,701,309
Share-based payments	-	285,746	(24,635)	997,193

Plant engineering and design – The increase in plant engineering and design was due to the costs of the pilot testing program.

Professional fees – In the third quarter of 2023, the Company paid an upfront advisory fee for the proposed Texas Facility. Therefore, professional fees were higher in the prior year period.

Salaries and benefits – The decrease in salaries and benefits was mainly due to the resignation/termination of three full time staff and the resignation of one director.

Share-based payments – The variance was due to the timing, number and vesting periods of options granted. The fair value of the stock options was estimated at the grant date using the Black-Scholes Option Pricing Model, or if determinable, the fair value of the services provided. An officer of the Company resigned in the current quarter. Since the stock options were unvested, the stock option expensed from the grant date to the resignation date was fully reversed.

For the three and nine months ended September 30, 2024 and 2023, the Company recognized the following other income and other expense in its consolidated statement of comprehensive loss:

	Three months ended September 30,		**Nine months ended September 30,**	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Interest income	(4,389)	(12,682)	(32,253)	(49,343)
Rent income	(31,081)	(3,213)	(93,244)	(7,784)
Finance income from lease – head office premises	(2,597)	(3,064)	(11,451)	(3,064)
Finance cost of lease – head office premises	7,857	9,834	28,868	28,167
Write-off due to sublease	-	7,299	-	7,299
Foreign exchange (gain) loss	(15,279)	19,830	22,160	-
Interest on convertible debentures	141,045	-	360,378	-
Transaction costs	11,009	-	33,694	-
Loss on fair value re-measurement of convertible debentures	224,317	-	330,755	-

Use of Proceeds from Financings

On June 22, 2021, the Company completed a short form prospectus financing of 9,200,000 shares at a price of $1.25 per common share and received cash proceeds of $10,719,840 compared to $9,456,250 that was expected before the overallotment option exercised by the underwriters of the financing. This resulted in the receipt of an additional $1,263,590 in cash. The table below provides an update of the use of funds as at October 31, 2024.

Description	Original Expected Use ($)	Actual Spent ($)
Texas Facility		
Engineering for Contaminant Separation Unit (Stage 1)	1,412,000	538,638
Engineering for Molecular Separation Unit (Stage 2)	1,312,100	1,431,502
Engineering for Molecular Treatment Unit (Stage 3)	749,760	696,396
Front end engineering design for process support infrastructure	2,499,200	3,923,847
Geotech, survey, and other site services	187,440	176,248
Permitting consultants	124,960	68,353
Project management, support, and execution services	1,191,140	1,880,662
Site enabling and approvals activities	162,400	8,188
Corporation's Engineering Oversight Team	400,000	1,105,104
Site agreements and legal services	250,000	7,155
Offering expenses	300,000	269,806
Selling, General & Administrative Expenses	867,250	243,531
Cash received from the exercise of overallotment option	1,263,590	-
Total	**$10,719,840**	**$10,349,430**

FEL-2 is complete and, based on the additional engineering completed, the Company is currently in the process of defining the FEL-3 budget and remaining scope, pursuing financing opportunities, and evaluating engineering, procurement and construction quotes to complete FEL-3. Due to design scope changes identified during FEL-2, it is anticipated the budget for completion of FEL-3 will be increased and incorporated in ongoing financing initiatives.

During 2023 and 2024, the Company completed the Placement for gross proceeds of $4,075,000. The Company intends to use the net proceeds of $3,938,300 from the Placement to advance the Company's plant engineering and design, including consulting studies, for general working capital, and to evaluate potential mergers and acquisitions. To date, the Company has spent $72,146 for plant engineering and design, and $3,866,154 for general corporate purposes.

Summary of Quarterly Financial Results

The following table provides selected financial information of the Company for each of the last 8 quarters presented in accordance with IFRS.

	For the Quarters Ended			
	September 30, 2024 $	June 30, 2024 $	March 31, 2024 $	December 31, 2023 $
Financial Results:				
Expense	881,086	986,849	1,289,727	1,323,906
Other expense	330,882	65,542	242,483	260,424
Loss before income taxes	1,211,968	1,052,391	1,532,210	1,584,330
Deferred income tax recovery	(24,427)	(53,823)	-	(161,501)
Net loss	1,187,541	998,568	1,532,210	1,422,829
Basic and diluted loss per share	0.01	0.01	0.01	0.01

	For the Quarters Ended			
	September 30, 2023 $	June 30, 2023 $	March 31, 2023 $	December 31, 2022 $
Financial Results:				
Expense	1,504,909	1,305,499	1,441,773	1,750,009
Other (income) expense	18,004	(40,068)	(2,661)	(63,444)
Loss before income taxes	1,522,913	1,265,431	1,439,112	1,686,565
Deferred income tax recovery	-	-	-	-
Net loss	1,522,913	1,265,431	1,439,112	1,686,565
Basic and diluted loss per share	0.01	0.01	0.01	0.01

The decrease in expenses for the quarters ended September 30, 2024 and June 30, 2024 was due to the decrease in plant engineering and design and salaries and benefits. The decrease in expenses for the quarter ended March 31, 2024 was due to the decrease of share-based payments, offset by the increase in plant engineering and design. The decrease in expenses for the quarter ended December 31, 2023 was due to the decrease in professional fees for the proposed Texas Facility. The increase in expenses for the quarter ended September 30, 2023 was due to the increase in professional fees for the proposed Texas Facility. The decrease in the expenses for the quarter ended June 30, 2023 was due to the decrease in consulting and professional fees for the proposed Texas Facility, offset by the increase in accrued wages to a former officer as per an employee settlement agreement. The decrease in the expenses for the quarter ended March 31, 2023 was due to the decrease in professional fees for the proposed Texas Facility. The increase in expenses for the quarter ended December 31, 2022 was due to transaction costs related to potential financings that was expensed in accordance with the Company's accounting policy.

The increase in other expenses for the quarter ended September 30, 2024 was due to the fair value re-measurement of convertible debentures. The decrease in other expenses for the quarter ended June 30, 2024 was due to the fair value re-measurement of convertible debentures. The increase in other expenses for the quarter ended December 31, 2023 was due to the convertible debentures (accrued interest payable, transaction costs and loss on fair value re-measurement). This also impacted deferred income tax recovery. Other expenses increased for the September 30, 2023 quarter mainly due to lower bank interest income and higher foreign exchange loss. Other income increased for the December 31, 2022 quarter mainly due to foreign exchange gains compared to foreign exchange losses for the March 31, 2023 quarter.

Liquidity, Capital Resources, Commitments and Contingencies

Working Capital and Cash

During the three months ended September 30, 2024, cash decreased by $279,860. The decrease was mainly due to $520,911 of cash used in operating activities and payment of $68,359 for lease liabilities, offset by $295,246 net cash received from the Placement and cash received from investment in sublease of $14,164. During the nine months ended September 30, 2024, cash decreased by $2,000,093. The decrease was mainly due to $2,949,317 of cash used in operating activities and payment of $204,383 for lease liabilities, offset by $1,062,391 net cash received from the Placement and cash received from investment in sublease of $91,216.

As at September 30, 2024, the Company had a working capital deficit of $1,900,197 comprised of cash of $149,253, accounts receivable of $15,997, prepaid expenses of $147,732 and investment in sublease of $37,021, offset by accounts payable of $468,743, accrued liabilities of $1,405,995, lease liabilities of $107,679, deferred rent liability of $11,783 and accrued tax provision of $256,000.

On March 16, 2023, the Company issued an aggregate of 3,692,502 units of the Company at a price of $0.75 per unit for gross proceeds of $2,769,376. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of $1.25 per share until March 16, 2025. The Company paid aggregate cash finders' fees of $3,330 for subscriptions processed through arm's length brokerage houses.

In November and December 2023 and May and July 2024, the Company closed an aggregate 4,075 Units for aggregate gross proceeds of $4,075,000. The Company paid aggregate finder fees of $136,500 in cash.

On October 24, 2024, the Company closed the initial tranche of a non-brokered private placement financing of 2,650,000 units of the Company at a price of $0.20 per unit for gross proceeds of $530,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of $0.30 per share until October 24, 2027. If, at any time after February 25, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of $0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of $12,750 for subscriptions processed through arm's length brokerage houses. Related parties of the Company purchased 625,000 Units.

On November 22, 2024, the Company closed the final tranche of a non-brokered private placement financing of 1,800,000 units of the Company at a price of $0.20 per unit for gross proceeds of $360,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of $0.30 per share until November 22, 2027. If, at any time after March 23, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of $0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of $7,000 for subscriptions processed through arm's length brokerage houses. On an aggregate basis, across the initial and final tranche of the non-brokered private placement, the company issued 4,450,000 units for gross proceeds of $890,000.

Going Concern

The Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 have been prepared on the basis of accounting principles applicable to a "going concern," which assumes that the Company will continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. At September 30, 2024, the Company had a working capital deficit of $1,900,197, had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the nine months ended September 30, 2024, the Company reported a net loss of and a total comprehensive loss of $3,718,319 and as at September 30, 2024, had an accumulated deficit of $122,302,330. The Company has not generated revenues, and it is dependent on debt and equity financings to fund its development operations. Management of the Company believes that the current level of funds is not sufficient to pay for expected cash expenditures over the next 12 months. The recoverability of the underlying value of the Company's assets is entirely dependent on the Company's ability to obtain the necessary financing to complete development of the ReGen™ technology and future profitable production. Significant amounts of capital expenditures are required for the Company to execute its business plan and there are no assurances that the Company will have sufficient funds for this purpose. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

Capital Management

The Company manages its capital structure, being its share capital, and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company had $3,755,760 of non-current liabilities, share capital of $101,320,784 and accumulated deficit of $122,302,330 as at September 30, 2024. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Planning, annual budgeting, monitoring, cash flow forecasting and implementing controls over major investment decisions are primary tools used to manage the Company's capital.

The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of three months or less which can be liquidated at any time without penalties.

The Company currently has no source of revenues. As such, the Company is dependent upon external financings to fund activities. In order to carry out future projects and pay for administrative costs, the Company expects to raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Contractual Obligations and Contingencies

On March 24, 2022, the Company entered into an agreement with EDC to engage independent engineering consultants for due diligence work for the Proposed EDC Loan. The agreement has an estimated value of approximately US$190,000 and is billed to the Company on a time and materials basis. To-date, US$23,000 has been paid.

In connection with the potential financing from the PE Firm, the Company is obligated to reimburse the PE Firm expenses for its ongoing technical due diligence process.

The Company has engaged Raymond James & Associates Inc. ("Raymond James"), a subsidiary of Raymond James Financial, Inc. to assist the Company in identifying and pursuing project-level acquisition opportunities and may provide other financial advisory services in connection with such acquisitions as requested by the Company and to act as an initial purchaser or placement agent to the Company for debt instruments or debt obligations issued by the Company to finance the Company's Texas recycling project. The placement of these debt instruments may include the participation of commercial lenders and/or certain United States governmental agencies. The Company is obligated to reimburse expenses incurred by Raymond James for its services. In addition, the Company is obligated to pay US$100,000 if the Company terminates this agreement after Raymond James completes an application for financing with certain United States governmental agencies but prior to closing. The Company is obligated to reimburse Raymond James for expenses incurred in connection with the services provided.

The Company has engaged National Bank Financial Inc. to provide financial advisory and investment banking services in support of existing and proposed project-level financing structures, National Bank Financial Inc. will also advise and assist the Company with the evaluation and execution of other strategic opportunities. The Company is obligated to reimburse expenses incurred by National Bank Financial Inc. for its services.

On August 11, 2023, the Company entered into an agreement to sublease its existing office premises for 1.5 years where the Company will receive $12,842 as monthly basic rent commencing on September 21, 2023. The Company was paying $15,792 monthly basic rent that increased to $16,139 as of March 2024. The Company also entered into an agreement to sublease its office premises for three years commencing on October 1, 2023 where the Company will pay a monthly basic rent of $6,647 in year one, $6,792 in year two and $6,936 in year three. The Company will also pay and receive its proportionate share of monthly common area costs in connection with these subleases.

On October 22, 2024, the Company entered into a sub-sublease agreement effective on November 1, 2024, for the sub-sublease of its existing office premises for a term that expires on September 30, 2026. As a result of sub-subleasing the Company's existing office premises, the Company will not maintain a physical office and its net monthly rent will be reduced to approximately $3,000 until February 28, 2025.

The Company's commitments for leases and Debentures on a calendar year basis as at September 30, 2024 are provided in the table below.

	2024 $	2025 $	2026 $	Total $
Office lease payments	68,793	84,014	55,488	208,295
Debentures	-	3,000,000	1,075,000	4,075,000
Total	68,793	3,084,014	1,130,488	4,283,295

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Transactions with related parties are measured at an exchange amount established and agreed to by the related parties. Key Management personnel include the Chief Executive Officer, the former Chief Executive Officer, the President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the former Executive

Vice President, Supply, Origination and Business Development, the Vice President, Corporate Finance and the Directors.

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Salaries to Key Management personnel	351,929	446,850	1,218,276	1,335,952
Professional fees to company controlled by a Director (Larry Van Hatten)	9,500	8,000	26,000	35,500
Share-based payments to Key Management personnel	-	261,803	(24,635)	973,250
Total	361,429	716,653	1,219,641	2,344,702

Included in accounts payable as at September 30, 2024 is $58,723 (December 31, 2023 - $31,215) of directors' fees, $23,975 (December 31, 2023 - $2,625) of professional fees payable to officers and directors and $312 (December 31, 2023 - $30,061) of accrued expense reimbursements payable to officers and directors (see table below).

Related Party Accounts Payable	**September 30, 2024**	**December 31, 2023**
	$	**$**
Jose Luis Salinas Lanfranco – Directors' fee	15,000	7,417
Catherine Banat – Directors' fee	4,355	2,475
Catherine Banat – Committee fee	-	1,323
Brad White – Directors' fee	8,750	20,000
Greg Clarkes – Directors' fee	8,750	-
Greg Clarkes – Committee fee	1,456	-
Larry Van Hatten – Directors' fee	8,750	-
Larry Van Hatten – Committee fee	2,912	-
Bob Rennie – Directors' fee	8,750	-
Total directors' fees payable	58,723	31,215

Related Party Accounts Payable	**September 30, 2024**	**December 31, 2023**
	$	**$**
Larry Van Hatten – Consulting fees	7,350	2,625
Greg Clarkes – Consulting fees	16,625	-
Total professional fees payable to officers and directors	23,975	2,625

Related Party Accounts Payable	September 30, 2024	December 31, 2023
	$	$
Greg Clarkes (Former Chief Executive Officer)	-	28,290
Larry Van Hatten (Director)	-	1,771
Mark Redcliffe (President and Chief Executive Officer)	312	-
Total expense reimbursements payable to officers and directors	312	30,061

Included in accrued liabilities as at September 30, 2024 is $21,281 (December 31, 2023 - $21,280) of professional fees payable to a director (Catherine Banat).

In connection with the issuance of Units, Brad White, a director of the Company, acquired ownership or control of 545 Units, and which if immediately converted and exercised respectively as of closing, would result in the issue of 1,535,908 common shares of the Company.

The following options that were granted to officers and directors expired unexercised:

Number of options expired unexercised	Exercise price per share	Expiry Date
2,000,000 (1,500,000 Greg Clarkes 500,000 Larry Van Hatten – directors)	$0.63	February 2, 2023
1,080,000 (720,000 Greg Clarkes 360,000 Larry Van Hatten – directors)	$0.70	March 13, 2023
750,000 Bob Rennie (director)	$0.85	March 19, 2023
2,200,000 (1,500,000 Greg Clarkes 700,000 Larry Van Hatten – directors)	$0.80	April 1, 2023
600,000 Tom Lawlor (Chief Operating Officer)	$1.23	August 25, 2023
600,000 (Stephen Martin – former Chief Financial Officer)	$1.79	September 20, 2023
600,000 (Jose Luis Salinas Lanfranco – director)	$1.69	October 7, 2023
675,000 (Catherine Banat, a former director (600,000) and Christina Boddy, Corporate Secretary (75,000))	$1.77	January 10, 2024
200,000 (Kimberly Hedlin, Vice President, Corporate Finance)	$1.64	April 19, 2024

The following stock options were granted to related parties:

Date of grant	Number of options granted	Exercise price per share	Expiry Date	Terms
February 6, 2023	2,000,000	$0.77	February 6, 2028	Stock options that fully vest 90 days from the grant date were granted to Greg Clarkes, director & officer (1,500,000), Larry Van Hatten, director (500,000).
July 17, 2023	500,000	$0.75	July 17, 2028	Stock options granted to Christine O'Grady, Former EVP, Supply, Origination and Business Development, 250,000 of which vest upon signing of a base oils offtake agreement, 125,000 of which vest on July 17, 2024 and 125,000 of which vest on July 17, 2025. The 500,000 unvested options were forfeited on May 17, 2024 due to her resignation.
August 29, 2023	6,480,000	$0.75	August 29, 2028	Stock options granted to directors and officers that vest 90 days from date of grant: Greg Clarkes — Director & officer — 2,420,000 Larry Van Hatten — Director — 860,000 Bob Rennie — Director — 750,000 Brad White — Director — 700,000 Mark Redcliffe — President — 750,000 Rick Low — CFO — 350,000 Kimberly Hedlin — Vice President, Corporate Finance — 50,000 Tom Lawlor — COO — 600,000
October 24, 2024	1,350,000	$0.20	October 24, 2026	Stock options granted to officers that vest on January 1, 2025: Mark Redcliffe — President & Chief Executive Officer — 450,000 Rick Low — CFO — 200,000 Kimberly Hedlin — Vice President, Corporate Finance — 350,000 Tom Lawlor — COO — 350,000

On May 17, 2024, the following unvested stock options were forfeited due to the resignation of Christine O'Grady:

Date of grant	Number of options granted	Exercise price	Expiry date	Terms
July 17, 2023	500,000	$0.75	July 17, 2028	Stock options granted to Christine O'Grady, 250,000 of which vest upon signing of a base oils offtake agreement, 125,000 of which vest on July 17, 2024 and 125,000 of which vest on July 17, 2025.

In addition to the related party transactions noted above, the Company reimbursed all these related parties for out-of-pocket direct costs incurred on behalf of the Company. Such costs include travel, postage, courier charges, printing and telephone charges.

Financial Instruments and Risk Management

Fair Value of Financial Instruments

The Company's financial instruments at September 30, 2024 include cash, accounts receivable, investments, accounts payables, accrued liabilities, and Debentures.

The fair value of cash, accounts receivable, accounts payable, and accrued liabilities approximates their carrying value due to their immediate or short-term nature, unless otherwise noted. The fair value of Coppermoly Ltd. ("COY") shares was based on the closing prices of those shares on Australian Stock Exchange. The value of the Debentures is carried at their fair values.

Fair Value Hierarchy

Financial instruments recorded at fair value on the Consolidated Statements of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices)

Level 3 – Inputs for the assets or liabilities are not based on observable market data

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the highest level of the hierarchy for which a significant input has been considered in measuring fair value. The Company's cash, accounts receivable, investment in Coppermoly Ltd., accounts payable and accrued liabilities in the Consolidated Statement of Financial Position as at September 30, 2024 and December 31, 2023 are recorded at fair value and classified as Level 1. The following table presents the change in Debentures that are classified as Level 3 and recorded at fair value in the Consolidated Statement of Financial Position.

Balance, December 31, 2022	$ -
Fair value at issuances during the year	2,401,848
Increase in fair value during the year	159,836
Balance, December 31, 2023	2,561,684
Fair value issuance during the period	785,188
Increase in fair value during the period	330,755
Balance, September 30, 2024	$ 3,677,627

The fair value of the Debentures is dependent on the credit spread between the market rate of interest and fixed rate of interest on the Debentures. A 5% change in the credit spread would affect income (loss) before tax by approximately $454,000.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk – is the risk of a financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company's cash is largely held in a Canadian financial institution and management believes that the credit risk with respect to financial instruments recorded on the Consolidated Statement of Financial Position at September 30, 2024 is minimal. The Company's accounts receivable consists of amounts receivable from the government. Management believes that the credit risk with respect to accounts receivable is minimal.

Currency risk – currency risk arises due to fluctuations in the exchange rates. The Company's equity and debt financings are sourced in Canadian dollars and the majority of expenditures are expected to be incurred in US dollars. As at September 30, 2024, the Company's holdings in foreign currencies are not material and exposure to currency risk is minimal.

Interest rate risk – is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest income is subject to bank deposit interest rates. During the nine months ended September 30, 2024, the Company received $32,253 of interest income from banks. A 1% change in interest rate would affect income (loss) before tax of approximately $1,000.

Liquidity risk – is the risk that the Company will be unable to meet its obligations as they become due. The Company manages its liquidity risk by implementing a budget, forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at September 30, 2024, the Company had $149,253 in cash, $2,250,200 in current liabilities and $3,755,760 in non-current liabilities.

The Company's current liabilities arose as a result of corporate expenses and accruals. Payment due dates for corporate expenses varies from invoice date to between 30 and 60 days from date of the invoices.

Price risk – the Company is exposed to price risk with respect to commodity and equity pricing, and the investment in COY. The Company is exposed to changes in market prices and a sensitivity analysis suggests that a 10% change in COY share prices would affect other comprehensive income or loss by approximately $4,200 before tax.

Outstanding Share Data

As at November 27, 2024, the following shares are outstanding:

- Authorized: Unlimited common shares without par value
  Unlimited number of preferred shares without par value

- Issued and outstanding: 122,805,547 common shares

- Stock options outstanding:

Number of options	Exercise price per option $	Expiry date
2,000,000	0.77	February 6, 2028
6,810,000	0.75	August 29, 2028
1,450,000	0.20	October 24, 2026
10,260,000		

- Warrants outstanding:

Number of warrants	Exercise price per warrant $	Expiry date
1,846,251	1.25	March 16, 2025
2,355,000	0.55	November 17, 2025
645,000	0.55	December 20, 2025
775,000	0.55	May 30, 2026
300,000	0.55	July 15, 2026
2,650,000	0.30	October 24, 2027
1,800,000	0.30	November 27, 2027
10,371,251		

Critical Accounting Estimates

There were no material changes to the Company's critical accounting estimates and judgments for the three and nine months ended September 30, 2024 from those as reported in the Company's MD&A for the year ended December 31, 2023.

Recent Accounting Pronouncements

There are no significant recent accounting pronouncements applicable to the Company.

Risks and Uncertainties

Except for the going concern risk as disclosed under "Liquidity, Capital Resources, Commitments and Contingencies," there have been no material changes to Risks and Uncertainties as disclosed in the Company's December 31, 2023 Management Discussion and Analysis.