



**THIRD QUARTER 2023  
UNAUDITED CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS AND NOTES**

(Expressed in Canadian Dollars)

The auditor of Current Water Technologies Inc. has not performed a review of the unaudited condensed interim statement for the periods ended September 30, 2023 and September 30, 2022.

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### **NOTICE TO READER**

The Company has compiled the condensed statement of financial position of Current Water Technologies Inc. as at September 30, 2023 and the condensed statements of earnings and comprehensive loss, changes in equity and cash flows for the period then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

## CONDENSED STATEMENT OF FINANCIAL POSITION

Expressed in Canadian Dollars	As at September 30 2023	As at December 31 2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (note 2)	378,623	118,674
Accounts receivable	387,370	37,063
Inventories	439,799	458,774
Prepaid	73,055	54,060
Current total	1,278,847	668,571
<b>RIGHT-TO-USE ASSET</b> (note 5)	10,633	106,294
<b>PROPERTY, PLANT AND EQUIPMENT</b> (note 3)	106,753	123,482
<b>INTANGIBLE ASSETS</b> (Patents) (note 4)	3,979	4,415
	1,400,212	902,762
<b>CURRENT LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	420,423	587,469
Deferred revenue	544,562	547,202
Lease Liability (note 3)	8,145	113,055
Loans Payable (note 10)	120,000	-
	1,093,130	1,247,726
<b>Long term</b>		
Lease Liability	-	-
Loans Payable	-	-
Bank Loans	-	120,000
	-	120,000
<b>SHAREHOLDERS' DEFICIT</b>		
<b>CAPITAL STOCK</b> (note 7)	20,827,916	20,827,917
<b>Warrants</b> (note 7)	985,520	985,519
<b>Contributed surplus</b>	7,819,183	7,714,935
	29,632,619	29,528,370
<b>DEFICIT</b>	(29,325,538)	(29,993,335)
	307,080	(464,964)
	\$ 1,400,212	\$ 902,762

**APPROVED ON BEHALF OF THE BOARD:**

*"Gene Shelp"*  
Gene Shelp, Director

*"Alex Kaszuba"*  
Alex Kaszuba, Director

(The accompanying summarized notes form an integral part of these unaudited condensed interim financial statements)  
Prepared without audit – see Notice to Reader

## CONDENSED STATEMENT OF CHANGES IN EQUITY

	Common shares		Warrants	Contributed Surplus	Deficit	Total
	Number	Amount				
<b>Balance – January 1, 2022</b>	<b>212,275,038</b>	<b>\$ 20,827,916</b>	<b>\$ 985,520</b>	<b>\$7,343,833</b>	<b>\$ (28,940,558)</b>	<b>\$ 216,711</b>
Net loss/income					(798,039)	(798,039)
Share-based payments				33,463		33,463
Share issue cost						-
Private Placement						-
Warrants exercised						-
Warrants Expiration of warrants		-				-
<b>Balance – September 30, 2022</b>	<b>212,275,038</b>	<b>20,827,916</b>	<b>985,520</b>	<b>7,377,296</b>	<b>(29,738,597)</b>	<b>(547,865)</b>
Net loss/income					(254,738)	(254,738)
Share-based payments				337,638		337,638
Share issue cost						-
Private Placement						-
Warrants exercised						-
<b>Balance – December 31, 2022</b>	<b>212,275,038</b>	<b>20,827,916</b>	<b>985,520</b>	<b>7,714,934</b>	<b>(29,993,335)</b>	<b>(464,965)</b>
<b>Balance – January 1, 2023</b>	<b>212,275,038</b>	<b>20,827,916</b>	<b>985,520</b>	<b>7,714,934</b>	<b>(29,993,335)</b>	<b>(464,965)</b>
Net loss/income					667,797	667,797
Share-based payments				104,248		104,248
Share issue cost						-
Private Placement						-
Warrants exercised						-
Warrants Expiration of warrants		-				-
<b>Balance – September 30, 2023</b>	<b>212,275,038</b>	<b>\$ 20,827,916</b>	<b>\$ 985,520</b>	<b>\$7,819,183</b>	<b>\$ (29,325,538)</b>	<b>\$ 307,080</b>

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## CONDENSED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

Expressed in Canadian Dollars	Nine months ended September 30		Three months ended September 30	
	2023	2022	2023	2022
<b>REVENUE - sales</b>	\$ 2,547,980	\$ 2,136,381	\$ 1,545,699	\$ 1,447,152
<b>EXPENSES</b>				
Direct operating expenses	\$ 1,284,063	\$ 1,467,395	\$ 854,181	\$ 1,090,417
General and administrative expenses	368,174	452,716	\$ 201,011	\$ 275,821
Interest expense - long term	6,873	10,508	\$ 3,538	\$ 6,274
Depreciation and amortization	116,826	122,861	\$ 77,884	\$ 81,907
Share-based payments	104,248	337,638	\$ 70,365	\$ 182,027
	\$ 1,880,183	\$ 2,391,118	1,206,980	1,636,446
<b>NET EARNINGS (COMPREHENSIVE LOSS) FOR THE PERIOD</b>	\$ 667,797	\$ (254,738)	\$ 338,720	\$ (189,295)
<b>Basic and diluted earnings (loss) per share</b>	0.003	(0.001)	0.002	(0.001)
<b>Weighted average number of shares outstanding – basic and diluted</b>	214,725,765	214,725,765	214,725,765	214,725,765

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## CONDENSED STATEMENTS OF CASH FLOWS

	Nine months ended September 30	
Expressed in Canadian dollars	2023	2022
<b>Operating activities</b>		
Net earnings (loss) for the period	\$ 667,797	\$ (254,738)
Add: Items not involving an outlay of cash		
Depreciation and amortization	116,826	122,861
Share-based payments	104,248	337,638
	\$ 888,871	\$ 205,761
<b>Changes in non-cash working capital</b>		
Decrease (Increase) in accounts receivable	(350,307)	(569,576)
Decrease (Increase) in inventories	18,975	12,000
Decrease (Increase) in prepaid expenses	(18,995)	(115,912)
Increase (Decrease) in accounts payable and accrued liabilities	(167,044)	306,782
Increase (Decrease) in deferred revenue	(2,640)	(170,018)
Cash flow from operating activities	\$ 368,859	(330,963)
<b>Investment Activities</b>		
Acquisition of property, plant and equipment	(4,000)	-
Investment towards Intangible assets	-	-
Proceeds on sale of property, plant and equipment	-	-
Cash flow from financing activities	\$ (4,000)	\$ -
<b>Financing activities</b>		
Common Shares issued for cash (net share issue costs)	-	-
Bank loan proceeds	-	-
Repayment of loans payable	-	(8,362)
Reduction of Lease liability	(104,910)	(98,993)
Cash flow from financing activities	\$ (104,910)	\$ (107,355)
<b>Net change in cash and cash equivalents during the period</b>	259,949	(438,318)
<b>Cash and cash equivalents, beginning of period</b>	118,674	635,301
<b>Cash and cash equivalents, end of period</b>	\$ 378,623	\$ 196,983
<b>Non-cash investing and financing activities</b>		
Interest paid in cash	\$ 10,485	\$ 15,083

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## **SUMMARIZED NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2023 (CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)**

### **1. DESCRIPTION OF BUSINESS**

#### **CORPORATE INFORMATION**

Current Water Technologies Inc. (the 'Company'), is incorporated under the Ontario Business Corporations Act and is a publicly traded company whose common shares are listed under the symbol "WATR" on the TSX Venture Exchange. Previously the Company's name was Enpar Technologies Inc. under the symbol "ENP" on the TSX Venture Exchange and changed its name effective January 2, 2018. The Company is engaged in the development of environmental technologies. The Company currently markets its products throughout the world and in this regard the Company has signed a number of marketing and distribution agreements with various parties granting exclusive rights to these parties for the sale of the Company's various technologies in specific geographic regions. The Company's corporate head office and principal place of business is located at 70 Southgate Drive, Unit 4, Guelph, Ontario, Canada N1G 4P5.

#### **BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

These condensed consolidated interim financial statements ("interim financial statements") of Current Water Technologies Inc. were approved for issuance by the Board of Directors on November 24, 2023. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These interim financial statements do not include all disclosures normally provided in consolidated annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2022.

The policies applied in these interim consolidated financial statements are based on IFRS's issued and outstanding as of September 30, 2019. Any subsequent changes to IFRS, which may give effect to the Company's annual financial statements for the year ending December 31, 2022, could result in restatement of these interim financial statements.

These financial statements have been prepared under the assumption that the Company is a going concern. This assumption, among other things, contemplates that the Company will be able to realize on its assets and discharge its liabilities in the normal course of operations. The Company had net income during the nine months period in the amount of \$667,797 (2022: negative \$254,738), resulting in an accumulated deficit of \$29,325,538 (2022: deficit of \$29,993,335) and generated a cash flow from operations in the amount of \$368,859 (2022: negative \$330,963). The Company has been able to fund these operating losses mainly by raising equity; however, there can be no assurance that the Company will be able to do so in the future. Should the going concern assumption be proven to be invalid the carrying amounts of certain assets may have to be restated. Management has estimated that the Company will have adequate funds from existing working capital to meet its corporate, administrative, and other obligations for the coming year.

These interim financial statements are presented in Canadian dollars, which is our presentation and functional currency. These interim financial statements have been prepared using the historical cost basis except for certain financial instruments that have been evaluated at fair value. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

These condensed interim consolidated financial statements incorporate the financial statements of Current Water Technologies Inc. and its subsidiary, Pumptronics Incorporated over which Current Water Technologies Inc. has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. The Company owns 100% of Pumptronics.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim financial statements are consistent with those described in the notes to the Company's annual financial statements for the year ended December 21, 2022.

### (a) KEY ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are used when accounting for items such as share-based payments and warrants, impairment of long-lived assets, percentage of completion on contracts, onerous contracts, collectability of receivables, inventory obsolescence and business combinations. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### (b) CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and having an initial term of less than 90 days. The cash and cash equivalents balance of \$378,623 has been invested in bank deposits.

## 3. PROPERTY, PLANT AND EQUIPMENT

	Cost January 1, 2023	Accumulated Amortization January 1, 2023	Additions (disposal)	Depreciation	Impairment loss	Net September 30, 2023
Office furniture and fixtures	\$ 72,118	\$ 66,020	\$ -	\$ 915	\$ -	\$ 5,183
Equipment	201,822	135,749	4,000	9,911	-	60,162
Computer hardware	143,689	114,265	-	6,621	-	22,803
Automotive	85,849	63,962	-	3,283	-	18,604
Leasehold improvements	313,298	313,298	-	-	-	-
Demonstration units	50,872	50,872	-	-	-	-
	<u>\$ 867,649</u>	<u>\$ 744,166</u>	<u>\$ 4,000</u>	<u>\$ 20,729</u>	<u>\$ -</u>	<u>\$ 106,753</u>

	Cost January 1, 2022	Accumulated Amortization January 1, 2022	Additions (disposal)	Depreciation	Impairment loss	Net December 31, 2022
Office furniture and fixtures	\$ 72,118	\$ 64,495	\$ -	\$ 1,525	\$ -	\$ 6,097
Equipment	201,822	119,231	-	\$ 16,518	-	\$ 66,073
Computer hardware	143,689	101,654	-	\$ 12,611	-	\$ 29,425
Automotive	85,849	58,491	-	\$ 5,471	-	\$ 21,886
Leasehold improvements	313,298	313,298	-	-	-	-
Demonstration units	50,872	50,872	-	-	-	-
	<u>\$ 867,649</u>	<u>\$ 708,041</u>	<u>\$ -</u>	<u>\$ 36,125</u>	<u>\$ -</u>	<u>\$ 123,482</u>

#### 4. INTANGIBLE ASSETS

	Cost January 1, 2023	Accumulated Amortization January 1, 2023	Additions Disposals	Amortization	Impairment Loss	Net September 30, 2023
Patents	\$ 548,692	\$ 546,434	\$ -	\$ 339	\$ -	\$ 1,918
Right to technology	10,000	7,843	-	97	-	2,060
	<u>\$ 558,692</u>	<u>\$ 554,277</u>	<u>\$ -</u>	<u>\$ 436</u>	<u>\$ -</u>	<u>\$ 3,979</u>

	Cost January 1, 2022	Accumulated Amortization January 1, 2022	Additions Disposals	Amortization	Impairment Loss	Net December 31, 2022
Patents	\$ 545,983	\$ 545,983	\$ 2,709	\$ 451	\$ -	\$ 2,258
Right to technology	10,000	7,705	-	138	-	2,157
	<u>\$ 555,983</u>	<u>\$ 553,688</u>	<u>\$ 2,709</u>	<u>\$ 589</u>	<u>\$ -</u>	<u>\$ 4,415</u>

#### 5. RIGHT OF USE ASSET

##### Right of use (“ROU”) assets

ROU assets are initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial recognition date. ROU assets are depreciated on a straight-line basis over the estimated useful life of the asset if the Corporation expects to take ownership of the asset at the end of the lease term, or over the lease term if the Corporation does not expect to take ownership of the asset at the end of the lease term. The lease term includes periods covered by an option to extend if the Corporation’s intention is to exercise that option. ROU assets are periodically reduced by impairment losses, if any, and adjusted for re-measurements of the lease obligation.

##### Lease liabilities

The lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the implicit rate in the lease; if the rate cannot be determined, the incremental borrowing rate of the asset or asset grouping is used. The lease liability is increased for the passage of time and payments on the lease are offset against the lease liability. The liability is subsequently re-measured when there is a change in the lease agreement, such as a change in future lease payments or if the Corporation decides to purchase, extend or terminate the lease option. When the lease liability is re-measured, an adjustment is applied to the carrying value of the ROU asset.

	Cost January 1, 2023	Accumulated Amortization January 1, 2023	Additions Disposals	Amortization	Impairment Loss	Net September 30, 2023
Right to Use Asset	\$ 616,503	\$ 510,209		\$ 95,661		\$ 10,633

	Cost January 1, 2022	Accumulated Amortization January 1, 2022	Additions Disposals	Amortization	Impairment Loss	Net December 31, 2022
Right to Use Asset	\$ 616,503	\$ 382,657		\$ 127,552		\$ 106,294

## 6. BANK LOANS

During the prior years, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The outbreak of coronavirus has impacted the company's business resulting in reduction of sales revenue for the current year. As a result of the outbreak the Company has applied and obtained bank loans financing totaling \$120,000 under the terms of the Canada Emergency Business Account ("CEBA"). The loans are government guaranteed, non-interest bearing loans until December 31, 2022 (subsequently extended to December 31, 2023). If 75% of the loan is repaid by December 31, 2022 (subsequently extended to December 31, 2023) the remaining 25% balance will be forgiven. If the loans are not repaid by December 31, 2022 (subsequently extended to December 31, 2023) the loans will bear interest at an annual rate of 5% per annum and will be due in full by December 31, 2025.

During the year the Company received \$Nil (2022: Nil) for the Canada Emergency Wage Subsidy ("CEWS").

## 7. CAPITAL STOCK

- (a) Capital stock consists of 212,275,038 common shares outstanding as at September 30, 2023. An unlimited number of common shares and an unlimited number of preferred shares are authorized. To date the Company has not issued any preferred shares. The following are share issuances and cancellations for the most recently completed financial year.
  - i) Basic income (loss) per share was calculated on the basis of the weighted average number of common shares outstanding for the year. Fully dilutive income (loss) per share has not been disclosed as the exercise of the common share purchase options and warrants outstanding as at September 30, 2023 and 2022 would have anti-dilutive effect.
- (b) Stock incentive plan

Approved by the shareholders on July 8, 2008, amended on September 25, 2000, June 5, 2008, November 29, 2013, November 28, 2014, November 27, 2015, December 17, 2021, and December 23, 2022, and pursuant to Policy 4.4 of the TSX Venture Exchange, the Company maintains a Stock Incentive Plan for designated officers, directors, consultants and employees. Each stock option entitles the holder to one common share. Under the terms of the plan the term of the options shall not exceed five years. The Option price of any shares in respect of which an option may be granted under the Plan shall be not less than the closing price of the Company's common shares on the TSX Venture Exchange on the last day of trading immediately preceding the date of the grant less any applicable discount, provided that where the common shares have not traded for a period of twenty days (20) preceding the date of grant, the Option price shall be determined based upon the average between the closing bid and asked prices for the five days (5) immediately preceding the date of grant. A summary of the status of the outstanding and exercisable stock options under the Stock Incentive Plan is presented below:

The following table summarized information about the options outstanding at September 30, 2023:

	Options	Weighted average exercise price
Outstanding December 31, 2021	15,825,000	\$ 0.06
Granted, January 13, 2022	7,825,000	\$ 0.06
Cancelled April 23, 2022	(500,000)	\$ 0.05
Cancelled June 1, 2022	(150,000)	\$ 0.05
Cancelled July 2, 2022	(1,000,000)	\$ 0.06
Cancelled December 31, 2022	(900,000)	\$ 0.05
Outstanding December 31, 2022	21,100,000	\$ 0.06
Cancelled January 13, 2023	(400,000)	\$ 0.05
Granted February 22, 2023	2,000,000	\$ 0.05
Expired April 26, 2023	(250,000)	\$ 0.15
Outstanding September 30, 2023	22,450,000	\$ 0.06

The following table summarizes information about the options outstanding at September 30, 2023:

	Options outstanding	Remaining contractual life in years	Weighted average exercise price
\$0.05	2,000,000	9.41	
\$0.05	6,375,000	8.29	
\$0.05	9,250,000	6.63	
\$0.05	1,000,000	8.02	
\$0.06	500,000	7.64	
\$0.10	3,325,000	3.56	
	22,450,000	6.98	\$0.06

(c) Warrants

The following table summarizes information about common share purchase warrants outstanding at September 30, 2023:

	Warrants outstanding	Weighted average exercise price	Weighted average remaining contractual life in years
Outstanding December 31, 2022	57,150,500	0.06	1.61
Outstanding January 1, 2023	57,150,500	0.06	1.61
Outstanding September 30, 2023	57,150,500	0.06	0.86

In determining the value of the warrants issued related to the private placements during the current year, the fair value of the warrants were estimated using a Black-Scholes option pricing model with the following weighted average

assumptions used for grants as follows: dividend yield of 0%, expected volatility ranging from 125% to 126% (2022: 161.7% to 161.98%), risk-free interest rate of 2% (2022: 0.50%) and expected life of 10 years (2022: 2-10 years).

## 9. CONTINGENT LIABILITIES

Upon commercialization of the Acid Mine Drainage Technology ("AmdELTechnology"), payments shall be made annually in an amount equal to the greater of \$20,000 or 25% of the net annual after tax income of the Corporation, as confirmed by audited annual financial statements, until an aggregate amount of \$80,000 is paid to Dofasco Inc. The AmdEL Technology shall be considered to be commercialized when the first contract on commercial terms for its use is received. At September 30, 2023, management did not consider the AmdEL Technology to be commercialized.

## 10. GEOGRAPHIC INFORMATION

All of the Company's operations and assets are located in Canada.

On January 8, 2018, the Company acquired Pumptronics Inc. to realize operational efficiencies and as a result, the Company now has two operating segments. Key measures used by the CODM in assessing performance and in making resource allocation decisions include revenues, gross profit and net loss.

The Company's operating results are divided into two reportable operating segments. The two reportable operating segments are Current Water and Pumptronics. Included in Current Water is corporate activity.

**Current Water segment, ("Current Water")** operates in treating water and engineering, manufacturing and sales of advanced water systems.

**Pumptronics segment, ("Pumptronics")** engages in developing hydraulic fluid systems to move water and other liquids.

## 11. FINANCIAL INSTRUMENTS

### Credit Risk

The Company's financial assets include cash and cash equivalents, and accounts receivable. The Company's maximum exposure to credit risk as at September 30, 2023, is the carrying value of its financial assets. The Company manages credit risk by maintaining bank and broker accounts with reputable banks and financial institutions.

### Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had cash and cash equivalent balances of \$378,623 (2022: \$118,674) to settle current liabilities of \$1,093,130 (2022: \$1,247,726). Of the current liabilities outstanding, \$420,423 (2022: \$587,469) of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The long-term liabilities outstanding, are interest free until December 31, 2023 and if not repaid will bear interest and must be repaid before December 31, 2025.

### **Interest rate risk**

In the fiscal year ended 2020 the Company obtained bank loans financing totaling \$120,000 under the terms of the Canada Emergency Business Account. These loans are government guaranteed, non-interest bearing up to December 31, 2023. If 75% of the loans are repaid by December 31, 2023 the remaining 25% balance will be forgiven. If still outstanding on December 31, 2023 the loans will bear interest at an annual rate of 5% and will be due in full by December 31, 2025. The company therefore has limited exposure to interest rate risk.

### **Foreign currency rate risk**

The Company has bank balances, accounts receivable, and accounts payable that are in US dollars and therefore subject to foreign currency rate risk.

### **Fair value of financial instruments and Hierarchy**

The book value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, other liabilities, and loans payable all approximate their fair values as at September 30, 2023. The Company did not hold any FVTPL financial instruments during the current year.

For disclosure purposes, the Company categorizes its financial assets and liabilities measured at the fair value into one of three different levels depending on the observation of the inputs used in the measurement.

The three levels are defined as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

As at September 30, 2023 the Company's financial instruments are cash and cash equivalents, considered to be Level 1 as the market value is readily available.

The company does not have any financial assets or liabilities recorded at fair value or reoccurring basis.

## **12. CAPITAL MANAGEMENT**

The Company manages its capital (debt, including accounts payable and loans payable and equity, including capital stock and contributed surplus) to ensure that the Company will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of a reasonable equity balance commensurate with current operating requirements. The strategy remains unchanged from 2023. The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities and therefore, does not have a numeric target for its capital structure. There were no changes to the Company's approach to capital management during the period ended September 30, 2023 compared to the year ended December 31, 2022. The Company does not have any covenants respecting its capital ratios.