

Composite Alliance Group Inc.

Condensed Consolidated Interim Financial Statements
September 30, 2024
(In Canadian dollars)
(Unaudited)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Composite Alliance Group Inc. (the “Company”) have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company’s auditors.

Composite Alliance Group Inc.
Condensed Consolidated Interim Statements of Financial Position
(In Canadian dollars)
(Unaudited)

	September 30, 2024 (Unaudited)	December 31, 2023
Assets		
Cash	\$ 374,235	\$ 99,768
Accounts receivable	2,362,583	5,545,553
Contract asset	3,691,518	2,183,088
Prepaid expense and others	100,848	149,671
Sales tax and other receivables	1,120,865	1,266,176
Total current assets	7,650,049	9,244,256
Other assets and receivables (Note 4)	380,999	360,809
Property and equipment (Note 5)	1,111,796	1,289,732
Intangible assets (Note 6)	3,724,637	2,728,406
Total assets	\$ 12,867,481	\$ 13,623,203
Liabilities		
Short term borrowing (Note 7)	\$ 97,077	\$ 33,779
Accounts payable and accrued liabilities (Note 8)	6,648,279	6,160,101
Current portion of long-term borrowings (Note 9 & 16)	684,016	745,084
Current portion of lease obligation (Note 10)	256,875	249,594
Short-term provisions (Note 12)	134,990	835,074
Contract liabilities	3,499,698	1,177,927
Total current liabilities	11,320,935	9,201,559
Convertible debentures (Note 11 & 16)	2,256,496	2,114,193
Long-term borrowings (Note 9 & 16)	4,319,069	4,511,778
Lease obligation (Note 10)	796,669	959,512
Post-employment benefits plans	258,089	241,418
Research tax credit	109,874	117,979
Total liabilities	19,061,132	17,146,439
Shareholders' equity		
Share capital (Note 13)	4,890,766	4,890,766
Contributed surplus	1,430,496	1,430,496
Equity component of convertible debentures (Note 11)	173,314	173,314
Accumulated other comprehensive loss	(555,421)	(320,135)
Deficit	(12,132,806)	(9,697,677)
Total shareholders' equity attributable to common shareholders	(6,193,651)	(3,523,236)
Total liabilities and shareholders' equity	\$ 12,867,481	\$ 13,623,203

Nature of operations and going concern (Note 1)
Subsequent event (Note 17)

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

Composite Alliance Group Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the nine-month period ended September 30
(In Canadian dollars)

	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue	\$ 3,275,618	\$ 3,267,881	\$ 5,872,266	\$ 9,527,154
Expenses				
Purchased raw material and goods	1,379,672	996,057	1,566,829	3,498,380
Payroll expenses and social security	456,920	308,867	1,418,436	1,250,801
Subcontractor	696,847	679,699	2,208,698	2,526,432
Selling, general and administrative	578,924	476,853	2,548,376	1,851,605
Property and apprenticeship taxes	18,643	24,394	55,651	61,286
Depreciation and amortization	212,661	199,022	632,553	576,553
Provision variations	18,378	(24,847)	(714,480)	(35,754)
	(86,427)	607,836	(1,843,797)	(202,149)
Other expenses (income)				
Foreign exchange loss (gain)	24,172	(29,808)	23,621	(35,793)
Finance costs (Note 9)	193,697	18,582	466,977	292,746
Other expense (income)	14,937	(6,349)	100,734	10,567
Net (loss) income	(319,233)	625,411	(2,435,129)	(469,669)
(Loss) income per common share (Note 15) - Basic and diluted	(0.00)	0.01	(0.02)	(0.00)
Other comprehensive loss				
Items that will be reclassified subsequently to profit or loss				
Exchange difference on translating foreign operations	(126,034)	(97,175)	(235,286)	(72,686)
Total comprehensive (loss) income	(445,267)	528,236	(2,670,415)	(542,355)

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

Composite Alliance Group Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the nine-month periods ended September 30
(In Canadian dollars)

	Share capital	Contributed Surplus	Equity Component of Convertible Debentures	Accumulated Other Comprehensive Income (loss)	Deficit	Total
Balance December 31, 2022	4,890,766	1,430,496	173,314	(243,060)	(8,885,070)	(2,633,554)
Comprehensive loss	-	-	-	(72,686)	(469,669)	(542,355)
Balance September 30, 2023 (unaudited)	4,890,766	1,430,496	173,314	(315,746)	(9,354,739)	(3,175,909)
Balance December 31, 2023	4,890,766	1,430,496	173,314	(320,135)	(9,697,677)	(3,523,236)
Comprehensive loss	-	-	-	(235,286)	(2,435,129)	(2,670,415)
Balance September 30, 2024 (unaudited)	4,890,766	1,430,496	173,314	(555,421)	(12,132,806)	(6,193,651)

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

Composite Alliance Group Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the nine-month periods ended September 30
(In Canadian dollars)

	2024	2023
	(unaudited)	(unaudited)
Operating		
Net (loss) income	\$ (2,435,129)	\$ (469,669)
Items not affecting cash:		
Depreciation and amortization	632,553	576,553
Provisions	(714,480)	(35,754)
Finance costs	296,288	279,221
Other income (expense)	38,222	-
Change in working capital requirement		
Change in prepaid and others	54,505	9,210
Change in trade and other receivables	1,869,343	1,345,223
Change in trade and other payables	2,491,405	1,993,874
Net cash provided by operating activities	2,232,707	3,698,658
Investing		
Acquisition of property and equipment	(8,402)	(93,808)
Acquisition of intangible assets	(1,305,971)	(1,158,611)
Net cash used in investing activities	(1,314,373)	(1,252,419)
Financing		
Repayment of borrowings	(618,804)	(499,880)
Repayment of lease obligation	(189,035)	(188,443)
Net cash (used in) provided by financing activities	(807,839)	(688,323)
Effect of exchange on cash	100,674	(191,959)
Net increase (decrease) in cash	211,169	1,565,957
Cash and cash equivalents, beginning of period	65,989	(631,246)
Cash and cash equivalents, end of period	\$ 277,158	\$ 934,711
Cash and cash equivalents consist of:		
Cash	\$ 374,235	\$ 934,711
Short term borrowing	(97,077)	-
Total	\$ 277,158	\$ 934,711

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

1. NATURE OF OPERATIONS

Composite Alliance Group Inc. (the “Company” or “CAG”) was incorporated on June 26, 2008 under the *Business Corporations Act* (Alberta). The Company completed a reverse acquisition of Techni-Modul Engineering S.A. (“TME”) on February 12, 2019. TME which is in Coude, France, specializes in industrial turn-key solutions by designing and manufacturing machines that it sells to customers for use in the fabrication of composite materials for the aerospace and automotive industries. In order to facilitate the Company’s role as an exclusive regional distributor, the Company set up a wholly-owned subsidiary Composite Alliance Asia (“CAA”) in Hong Kong in September 2019 which has been inactive to date.

The Company’s shares are listed for trading on the TSX Venture Exchange (“TSXV”) under the symbol “CAG”. The Company’s registered office is located at Suite 800, 333-7 Avenue S.W., Calgary, Alberta, Canada.

Going concern

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of operations. There are material uncertainties that may cast significant doubt on the validity of this assumption. For the three and nine-months ended September 30, 2024, the Company incurred a net loss of \$0.3 million and \$2.4 million respectively. The Company experienced a drop in working capital of \$3,713,583 for the nine-month period ended September 30, 2024, and as of that date, has an accumulated deficit of \$12,132,806.

The Company’s ability to continue as a going concern is dependent on continued support from related parties, generating a profit from operations, and obtaining additional financing as required. There remains a material uncertainty that may cast significant doubt on the Corporation’s ability to continue as a going concern. These financial statements do not include adjustments to the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Corporation be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on November 22, 2024.

These condensed consolidated interim financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2023.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis. All financial information is reported in Canadian dollars, unless otherwise noted.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with those disclosed in Note 2 of the December 31, 2023 audited consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements follow the same accounting policies as outlined in the audited financial statements for the year ended December 31, 2023, except for the adoption of the following accounting standards effective January 1, 2024:

The amendments to IAS 1, Presentation of Financial Statements, require an entity to disclose, in specified circumstances, information in the notes that enables financial statement users to understand the risk that non-current liabilities with covenants could become repayable within 12 months after the reporting period. The adoption of this amendment did not have a material measurement or disclosure impact on the Company's condensed consolidated interim financial statements.

The amendments to IAS 7, Statement of Cash Flow, require an entity to provide additional disclosures about its supplier finance arrangements. The amendments also add supplier finance arrangements as an example within the liquidity risk disclosure requirements of IFRS 7 Financial Instruments: Disclosures. The adoption of this amendment did not have a material measurement or disclosure impact on the Company's condensed consolidated interim financial statements.

The amendments to IFRS 16, Leases, add subsequent measurement requirements to IFRS 16 that explain how an entity accounts for a sale and leaseback after the date of the transaction. The adoption of this amendment did not have a material measurement or disclosure impact on the Company's condensed consolidated interim financial statements.

4. OTHER ASSETS AND RECEIVABLES

Other assets and receivables consist of:

	September 30, 2024	December 31, 2023
Long term investments	\$ 574	\$ 557
Deposit and guarantees	59,650	57,869
Amount receivable from shareholder (Note 15)	320,775	302,383
	\$ 380,999	\$ 360,809

Amount receivable from shareholder bears no interest and has no terms of repayment.

5. PROPERTY AND EQUIPMENT

Cost	December 31, 2023	Additions	Reductions	Foreign Exchange	September 30, 2024
Right of use assets	2,188,901	-	(99,156)	65,393	2,155,138
Technical facilities, equipment and industrial tools	744,036	2,015	-	22,932	768,983
Leaseholds and furniture	373,133	6,387	-	11,588	391,108
Cost	3,306,070	8,402	(99,156)	99,913	3,315,229

Depreciation	December 31, 2023	Additions	Reductions	Foreign Exchange	September 30, 2024
Right of use assets	1,038,494	195,520	(99,967)	33,836	1,167,883
Technical facilities, equipment and industrial tools	687,148	15,363	-	21,445	723,956

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Leasehold and furniture	290,696	11,742	-	9,157	311,594
Depreciation	2,016,338	222,625	(99,967)	64,438	2,203,433
Net property and equipment	1,289,732	(214,223)	811	35,473	1,111,796

Cost	December 31, 2022	Additions	Disposals	Foreign Exchange	December 31, 2023
Right of use assets	2,041,055	236,687	(112,808)	23,967	2,188,901
Technical facilities, equipment and industrial tools	713,174	47,176	(24,646)	8,332	744,036
Leaseholds and furniture	297,671	71,923	-	3,539	373,133
Cost	3,051,900	355,786	(137,454)	35,838	3,306,070

Depreciation	December 31, 2022	Additions	Disposals	Foreign Exchange	December 31, 2023
Right of use assets	883,058	257,997	(113,114)	10,553	1,038,494
Technical facilities, equipment and industrial tools	657,780	21,836	(155)	7,687	687,148
Leasehold and furniture	264,389	23,251	-	3,056	290,696
Depreciation	1,805,227	303,084	(113,269)	21,296	2,016,338
Net property and equipment	1,246,673	52,702	(24,185)	14,542	1,289,732

6. INTANGIBLE ASSETS

Costs	December 31, 2023	Additions	Foreign Exchange	September 30, 2024
Development costs	7,834,859	1,305,971	266,808	9,407,638
Software	97,599	-	3,003	100,602
Concessions, patents and distribution rights	834,033	-	11,259	845,292
Costs	8,766,491	1,305,971	281,070	10,353,532

Amortization	December 31, 2023	Additions	Foreign Exchange	September 30, 2024
Development costs	5,265,397	333,891	168,585	5,767,873
Software	7,628	29,681	820	38,129
Concessions, patents and distribution rights	765,060	46,356	11,477	822,893
Amortization	6,038,085	409,928	180,882	6,628,895
Net intangible assets	2,728,406	896,043	100,188	3,724,637

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Cost	December 31, 2022	Additions	Foreign Exchange	December 31, 2023
Development costs	5,922,490	1,839,837	72,532	7,834,859
Software	93,948	2,554	1,097	97,599
Concessions, patents and distribution rights	829,830	-	4,203	834,033
Cost	6,846,268	1,842,391	77,832	8,766,491

Amortization	December 31, 2022	Additions	Foreign Exchange	December 31, 2023
Development costs	4,838,237	370,193	56,967	5,265,397
Software	7,540	-	88	7,628
Concessions, patents and distribution rights	660,385	100,351	4,324	765,060
Amortization	5,506,162	470,544	61,379	6,038,085

Net intangible assets	1,340,106	1,371,847	16,452	2,728,406
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7. SHORT-TERM DEBT

The balance of \$97,077 (December 31, 2023 – \$33,779) was a bank overdraft outstanding as at September 30, 2024. The following facilities are available to the Company as at September 30, 2024 and December 31, 2023:

- i) Credit facility for an aggregate amount of €941,000 (CAD \$1,418,652) unsecured, due on the maturity of invoices issued to its customers and bears weighted average interest at 1-month Euribor rate plus 1.50% per annum. (December 31, 2023 – €1,345,596 at 1-month Euribor rate plus 1.80% per annum). This facility will be used to finance its working capital prior to the delivery of goods to its foreign customers. As at September 30, 2024, CAD \$1,418,652 (€941,000) was outstanding on this facility (December 31, 2023 – CAD \$nil (€nil)).
- ii) Aggregate bank guarantees of up to a maximum of €1,050,000 (CAD \$1,582,980) for advanced payment refunds for its foreign customers that are due on demand, and bear weighted average interest at 1.76% per annum (December 31, 2023 – €1,200,000 at 1.76% per annum). These facilities will be used when the Company must produce letters of guarantee of restitution of deposit, good execution of contract or retention of guarantee for its foreign customers. As at September 30, 2024, there were CAD \$869,917 (USD \$104,000 and €483,900) of guarantees outstanding (December 31, 2023 - \$nil).
- iii) An aggregate foreign exchange cover line up to a maximum of €nil (CAD \$nil) (December 31, 2023 – €3,500,000). As at September 30, 2024, CAD \$nil was outstanding on this facility (December 31, 2023– CAD \$nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	December 31, 2023
Trade payable	\$ 5,489,392	\$ 5,265,552
Social security payable	809,232	794,266
Value added tax payable	324,666	58,064
Other liabilities	24,989	42,219
	\$ 6,648,279	\$ 6,160,101

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9. LONG-TERM BORROWINGS

	September 30, 2024	December 31, 2023
Loan denominated in Euro is unsecured, bears interest at 1.70%, and with interest only payments and matures on January 31, 2026 *	\$ 1,374,093	\$ 1,303,756
Loan denominated in Euro is guaranteed by the French government "PGE", bears interest at 0.25%. The loan has been extended during the year ended December 31,	897,425	1,143,117
Loan denominated in CAD is unsecured, bears interest at 2.00% per annum, and with interest only payments and matures on November 15, 2025*	566,733	546,445
Loan denominated in CAD is unsecured, bears interest at 2.00% per annum, and with interest only payments and matures on November 15, 2025 *	491,867	403,599
Loan denominated in USD is unsecured, bears interest at 2.00%, and with interest only payments and matures on October 7, 2026*	422,153	396,854
Loan denominated in CAD is unsecured, bears interest at 2.00%, and with interest only payments and matures on January 31, 2026*	369,988	354,674
Loan denominated in Euro is guaranteed by the French government "PGE", bears interest at 1.00%, monthly blended payment of €9,425 and matures on May 20, 2026	281,677	394,769
Loan denominated in Euro is guaranteed by the French national fund guarantee "Garantie Atout PME", bears interest at 2.50%, quarterly payment of €30,555 plus	138,209	268,153
Loan denominated in USD is unsecured, non-interest bearing and with no repayment term*	98,543	96,550
CEBA loan denominated in CAD is unsecured, non-interest bearing and repaid during the period	-	40,000
	4,640,688	4,947,917
Add: accrued interest	362,397	308,945
	5,003,085	5,256,862
Less: current portion	(684,016)	(745,084)
	\$ 4,319,069	\$ 4,511,778

* These are loans with related parties.

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9. LONG-TERM BORROWINGS (continued)

Principal repayments are as follows:

Remaining of 2024	\$	182,107
2025		1,866,978
2026		2,803,766
2027		44,604
2028		-
Thereafter		105,630
	\$	5,003,085

The Company obtained bank financing of \$40,000 through Canada Emergency Business Account (“CEBA”) during the year ended December 31, 2020. It is an interest-free loan until December 31, 2022. Repaying the loan on or before December 31, 2022 will result in loan forgiveness of \$10,000. If the loan is not repaid by December 31, 2022, it will be extended for an additional 3-year term with no specific principal repayment until maturity, bearing interest at 5% per annum. Management has determined that the Company will be able to meet the repayment requirement by December 31, 2022, therefore, has recognized the forgivable portion of the loan of \$10,000 as other income during the year ended December 31, 2020. The Company obtained an additional \$20,000 through CEBA during the year ended December 31, 2021. Repaying the loan on or before December 31, 2022 will result in additional loan forgiveness of \$10,000. Management has recognized the forgivable portion of the loan of \$10,000 as other income during the year ended December 31, 2021. As at January 12, 2022, the federal government extended the repayment deadline for CEBA loan to qualify for partial loan forgiveness from December 31, 2022 to December 31, 2023. The deadline for the partial loan forgiveness was further extended to January 18, 2024. The Company repaid this loan during the period.

The components of finance costs are as follows:

	September 30, 2024	September 30, 2023
Interest on long-term borrowings	\$ 63,056	\$ 68,119
Accretion on long-term borrowings	170,750	142,605
Interest on leases	42,808	44,056
Interest on convertible debentures	33,296	32,587
Accretion on convertible debentures	42,466	38,200
Interest on short-term borrowing and others	114,601	(32,821)
	\$ 466,977	\$ 292,746

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10. LEASE OBLIGATION

The Company has a number of property rental and movable property rental leases whose maturity range from December 2024 to January 2031. The leases have an incremental borrowing rate ranging from 2 to 5% and interest expense for the period ended September 30, 2024 was \$42,808 (September 30, 2023 - \$44,056).

	September 30, 2024	December 31, 2023
Balance, beginning of period	\$ 1,209,106	\$ 1,201,656
Additions	-	232,472
Lease payments	(189,035)	(238,972)
Foreign exchange	33,473	13,950
	1,053,544	1,209,106
Less: current portion	(256,875)	(249,594)
	\$ 796,669	\$ 959,512
Future lease payments are as follows:		
Less than one year	\$	303,755
1-3 years		487,318
3-5 years		240,111
More than 5 years		154,780
		1,185,964
Less: finance costs		(132,420)
	\$	1,053,544

11. CONVERTIBLE DEBENTURES

The Company completed a series of private placements of convertible unsecured debentures between December 2016 and March 2017. A total of 31,915 bonds were issued at €47 each, for a total principal amount of €1,500,005 (CAD \$2,187,457), to a shareholder of the Company. The convertible debentures accrue interest at 3% per annum, mature in December 2022. All or any of the debentures are convertible by the holder into common shares of TME at a conversion price of €18.16 per share at any time prior to the maturity date, or at any time subsequent to the maturity date if and only if the Company has failed to repay the full amount of the debentures at maturity. The early conversion prior to the maturity date is subject to approval by TSXV. The value of the conversion option was calculated by subtracting the net present value of the debenture from the face value of the convertible debenture. The net present value of the debenture was calculated using a discount rate of 8%. An amount of CAD \$1,651,352 (€1,132,382) and CAD \$553,346 (€367,623) was allocated to the liability and equity component of the convertible debenture respectively.

Effective December 31, 2022, the Company reached an agreement with the holder of the convertible debentures, who is a related party, to forgive interest accrued up to December 31, 2022. The interest forgiven of €248,048 (CAD \$339,727) has been recorded as finance cost recovery. As a result of this agreement, the carrying amount of the liability component of the debentures was calculated using a discount rate of 4.75%. An amount of CAD \$1,995,393 (€1,380,131) and CAD \$173,314 (€119,874) was allocated to the liability and equity component of the convertible debenture respectively. As such, the initial debentures were treated as extinguishment and new debentures were recognized at a fair value of €1,500,005 (CAD \$2,168,707) and gain on extinguishment of €77,177 (CAD \$111,582) was recorded in contributed surplus.

	September 30, 2024	December 31, 2023
Balance, beginning of year	\$ 2,114,193	\$ 1,995,393
Accrued interest and accretion	75,762	95,421
Foreign exchange	66,541	23,379
Balance, end of year	\$ 2,256,496	\$ 2,114,193

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12. PROVISIONS

	Onerous Contracts (i)	Warranty (ii)	Others (iii)	Total
At December 31, 2023	537,808	165,006	132,260	835,074
Liabilities incurred	-	-	-	-
Settled	(537,808)	(165,006)	-	(702,814)
Foreign exchange	-	-	2,730	2,730
At September 30, 2024	-	-	134,990	134,990
Less: current portion	-	-	(134,990)	(134,990)
	-	-	-	-

- i) The balance represents the non-recurring unavoidable costs of meeting the performance obligations under the contracts exceeding the economic benefits received under them. A provision is recorded to provide for the incremental costs of fulfilling the contracts.
- ii) The balance represents the warranties on the sale of products. A provision is recorded to provide for future warranty costs based on management's best estimate of probable warranty claims.
- iii) The balance represents the non-recurring legal and regulatory provisions for both TME and CAC's operations. A provision is recorded based on management's best estimate of the most likely outcome of the claims.

13. SHARE CAPITAL

Authorized: an unlimited number of voting common shares, no par value
an unlimited number of preferred shares, no par value

Shares issued:

Common Shares	Number of shares	Amount (\$)
Balance September 30, 2024 and December 31, 2023	110,233,610	4,890,766

14. OPTIONS

The Company has an equity settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company. Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant. As at September 30, 2024 (and December 31, 2023), no options are outstanding.

15. NET LOSS PER COMMON SHARE

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net loss	\$ (2,435,129)	\$ (469,669)
Weighted average number of common shares – basic and diluted	110,233,610	110,233,610

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16. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes all persons named or performing the duties of Chief Executive Officer, Chief Financial Officer, President, Vice-President and Directors of the Company. The compensation paid or accrued to key management for services is shown below:

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Director fees to non-executive directors	\$ 8,000	\$ 7,000
Salaries	588,388	557,439

The following is a summary of the Company's other related party transactions during the period:

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Real property leases paid to a company controlled by a director of the Company	\$ 85,371	\$ 84,170
Finance cost paid or accrued to a company controlled by a director of the Company	51,220	39,108
Finance cost paid or accrued to two of the directors of the Company	9,909	9,873
Professional fees paid to a partnership controlled by a director of the Company	20,499	44,295
General administrative fee paid to a company controlled by a former officer of the Company	65,625	40,602
Commission expense paid or accrued to two companies controlled by two directors of the Company	256,883	36,225

The following is a summary of financial instruments held by related parties:

	September 30, 2024	December 31, 2023
Receivable from a company controlled by a director of the Company	\$ 320,775	\$ 302,383
Convertible debentures issued to a company controlled by a director of the Company	2,256,496	2,114,193
Long term borrowing advanced from a company controlled by a director of the Company	1,515,194	1,423,862
Long term borrowing advanced from a company controlled by an officer of the Company	1,537,275	1,452,854
Long term borrowing advanced from companies controlled by two of the directors of the Company	626,218	528,041

17. SUBSEQUENT EVENT

On October 23, 2024, the Company obtained a loan facility up to €1,500,000 from Team Alpha Limited, a company controlled by an officer and shareholder of the Company. This facility is unsecured, bears interest at 5.3% per annum, matures December 31, 2027 and are payable at any time by the Company without penalty. The Company may draw down on the facility from time to time to finance its working capital. The Company withdrew the first tranche of €400,000 from this facility on October 30, 2024.