
CHAR Technologies Ltd.
Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of CHAR Technologies Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

CHAR Technologies Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at June 30, 2022	As at September 30, 2021
ASSETS		
Current assets		
Cash	\$ 1,474,051	\$ 3,001,384
Amounts receivable (note 3)	680,162	693,429
Work-in-progress	380,414	249,539
Inventory (note 4)	24,614	20,710
Prepaid expenses	933,489	283,357
Total current assets	3,492,730	4,248,419
Property and equipment (note 5)	3,072,822	1,387,515
Right-of-use assets (note 6)	53,037	95,772
Goodwill	652,916	652,916
Intangible assets (note 7)	2,932,874	3,938,137
Total assets	\$ 10,204,379	\$ 10,322,759
SHAREHOLDERS' EQUITY AND LIABILITIES		
Liabilities		
Accounts payable and accrued liabilities (notes 8 and 15)	\$ 2,806,107	\$ 3,275,381
Lease liabilities (note 10)	9,759	47,162
Loan payable (note 9)	905	3,489
Deferred income tax liability	5,114	5,114
Deferred revenue	66,088	66,088
Deferred grant income (note 5)	110,204	440,814
Asset retirement obligation (note 14)	60,414	60,414
Total current liabilities	3,058,591	3,898,462
Lease liabilities (note 10)	48,758	55,048
Loan payable (note 9)	210,505	202,875
Deferred grant income (note 5)	665,109	622,391
Total liabilities	3,982,963	4,778,776
Shareholders' equity		
Share capital (note 11)	16,124,226	11,704,439
Share-based payment reserves (note 13)	3,571,217	2,594,459
Contributed surplus	53,744	53,744
Deficit	(13,527,771)	(8,808,659)
Total shareholders' equity	6,221,416	5,543,983
Total shareholders' equity and liabilities	\$ 10,204,379	\$ 10,322,759

Nature of business and going concern (note 1)

Subsequent event (note 18)

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

CHAR Technologies Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Revenue				
Consulting revenue	\$ 363,653	\$ 375,988	\$1,136,963	\$ 1,019,402
Product sales	-	-	-	-
Total revenue	\$ 363,653	\$ 375,988	\$1,136,963	\$ 1,019,402
Cost of revenue	(198,788)	(215,547)	(629,598)	(524,126)
Gross profit	164,865	160,441	507,365	495,276
Expenses				
Research and development	181,318	98,513	596,780	123,513
Professional fees	343,971	209,961	993,588	419,961
Consulting fees	10,223	-	57,443	6,630
Office expenses	666,946	406,348	1,839,531	936,769
Regulatory and filing fees	3,218	8,766	33,149	45,857
Depreciation (notes 5 and 6)	112,174	96,888	329,888	314,582
Amortization (note 7)	337,606	31,921	1,012,634	95,598
Share-based payments (note 13)	44,538	343,950	694,076	530,950
	(1,699,994)	(1,196,347)	(5,557,089)	(2,473,858)
Loss from operations	(1,535,129)	(1,035,906)	(5,049,724)	(1,978,582)
Grant income (notes 5 and 9)	110,204	110,204	330,612	352,495
Net loss and comprehensive loss for the period	\$ (1,424,925)	\$ (925,702)	\$ (4,719,112)	\$ (1,626,087)
Net loss per share - basic and diluted (note 12)	(0.02)	(0.01)	(0.06)	(0.03)
Weighted average common shares outstanding – basic and diluted (note 12)	83,003,165	70,805,028	83,003,165	61,573,083

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

CHAR Technologies Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Nine Months Ended June 30,	
	2022	2021
Operating activities		
Net loss for the period	\$ (4,719,112)	\$ (1,626,087)
Adjustments for:		
Share-based payments	704,821	530,950
Depreciation	329,888	314,582
Amortization	1,012,634	95,598
Deferred grant income	(287,892)	(352,495)
Reversal of flow-through liability	-	15,293
Net change in non-cash working capital:		
Amounts receivable	13,267	(86,193)
Prepaid expenses	(650,132)	(68,168)
Work-in-progress	(130,875)	(156,539)
Inventory	(3,904)	(6,996)
Deferred revenue	-	18,209
Accounts payable and accrued liabilities	(469,274)	(16,686)
Net cash provided by (used in) operating activities	(4,200,579)	(1,338,532)
Investing activities		
Purchase of property and equipment	(2,015,195)	(185,610)
Purchase of intangible assets	(7,371)	(26,810)
Lease payments	(43,693)	(35,016)
Purchase of right of use assets	42,735	-
Net cash (used in) investing activities	(2,023,524)	(247,436)
Financing activities		
Asset retirement obligation	-	-
Proceeds from loans payable	5,046	40,000
Repayment of loans payable	-	(2,585)
Proceeds from issuance of unit options	-	50,125
Proceeds from issuance of common shares, net of costs	4,419,787	6,334,725
Proceeds from issuance of unit warrants	271,937	27,280
Net cash provided by financing activities	4,696,770	6,449,545
Net change in cash	(1,527,333)	4,863,577
Cash, beginning of period	3,001,384	129,127
Cash, end of period	\$ 1,474,051	\$ 4,992,704

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

CHAR Technologies Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Unaudited

	Share Capital		Equity Settled Share-Based Payments Reserve	Contributed Surplus	Deficit	Total
	Number of Shares	Amount				
Balance, September 30, 2020	45,137,314	\$ 6,290,039	\$ 511,096	\$ 53,744	\$ (5,546,828)	\$ 1,308,051
Common shares/warrants issued for cash (note 11)	25,411,537	\$ 5,679,614	-	\$ 1,015,385	-	\$ 6,694,999
Share issuance costs (note 11)	-	\$ (360,274)	-	-	-	\$ (360,274)
Share-based payments (note 13)	-	-	\$ 530,950	-	-	\$ 530,950
Broker warrants (note 13)	-	\$ (192,143)	\$ 192,143	-	-	-
Exercise of stock options (note 11)	310,000	\$ 50,125	-	-	-	\$ 50,125
Exercise of unit warrants (note 11)	68,200	\$ 34,782	-	\$ (7,502)	-	\$ 27,280
Net and comprehensive loss for the period	-	-	-	-	\$ (1,626,087)	\$ (1,626,087)
Balance, June 30, 2021	70,927,051	\$ 11,502,143	\$ 1,234,189	\$ 1,061,627	\$ (7,172,915)	\$ 6,625,044
Balance, September 30, 2021	71,505,751	\$ 11,704,439	\$ 2,594,459	\$ 53,744	\$ (8,808,659)	\$ 5,543,983
Common shares/warrants issued for cash (note 11)	10,877,514	\$ 4,622,944	271,937	-	-	\$ 4,894,881
Share issuance costs (note 11)	-	\$ (317,893)	-	-	-	\$ (317,893)
Share-based payments (note 13)	-	-	\$ 694,076	-	-	\$ 694,076
Broker warrants (note 13)	-	\$ (17,774)	\$ 17,774	-	-	-
Exercise of stock options (note 11)	556,000	\$ 99,920	-	-	-	\$ 99,920
Exercise of unit warrants (note 11)	63,900	\$ 32,589	\$ (7,029)	-	-	\$ 25,560
Net and comprehensive loss for the period	-	-	-	-	\$ (4,719,112)	\$ (4,719,112)
Balance, June 30, 2022	83,003,165	\$ 16,124,226	\$ 3,571,217	\$ 53,744	\$ (13,527,771)	\$ 6,221,416

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

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements Three and Nine Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

1. Nature of business and going concern

CHAR Technologies Ltd. (the "Company" or "CHAR") is a cleantech development and services company, specializing in high temperature pyrolysis, converting woody materials and organic waste into renewable gases (renewable natural gas and green hydrogen) and biocarbon (activated charcoal "SulfaCHAR" and solid biofuel "CleanFyre"). Additional services include custom equipment for industrial water treatment, and providing services in environmental compliance, environmental management, site investigation and remediation, engineering and resource efficiency. The Company is listed on the TSX Venture Exchange (the "Exchange") trading under the symbol YES.V. The Company's head office address is 789 Don Mills Road, Suite 403, Toronto, Ontario, M3C 1T5.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company 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 and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profitable of operations. These conditions indicate the existence of material uncertainties that may cause doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values of assets.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$13,527,771 as at June 30, 2022 (September 30, 2021 - \$8,808,659). The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at June 30, 2022, the Company had current assets of \$3,492,730 (September 30, 2021 - \$4,248,419) to cover current liabilities of \$3,058,591 (September 30, 2021 - \$3,898,462).

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of on-going public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

On August 25, 2022, the Board of Directors approved these condensed interim consolidated financial statements.

2. Significant accounting policies

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, they may not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 25, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited annual consolidated financial statements as at and for the year ended September 30, 2021, except as noted below.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended June 30, 2022

(Expressed in Canadian Dollars) (Unaudited)

2. Significant accounting policies (continued)

(b) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated on consolidation. The consolidated financial statements of CHAR and its wholly owned subsidiaries Char Biocarbon Inc. and Altech Environmental Consulting Ltd. are consolidated from the date that control commences until the date that control ceases.

(c) Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Maintenance and repair expenditures that do not improve or extend the life are expensed in the period incurred.

Depreciation is recognized so as to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. No depreciation is recognized for property and equipment until it is completed and ready for intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Estimated useful lives for the principal asset categories are as follows:

Computer equipment	3 years
Production equipment	5 years
Asset retirement costs	3 years
Building and Kiln	5 years
Leasehold improvements	Amortized over the term of the lease

(d) Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the net fair value of the acquiree's identifiable assets and liabilities. Any negative difference is recognized in the consolidated statements of loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the operating segments that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those segments.

(e) Intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization on a straight-line basis over the estimated useful life. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements Three and Nine Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

2. Significant accounting policies (continued)

(e) Intangible assets (continued)

The estimated useful lives of the intangible assets are as follows:

Purchased technology	10 years
Customer relationships	5 years
Backlog	1 year
Patents	10 years
Technology license	3 years
Proprietary design	10 years

(f) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized.

If an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately.

Goodwill is tested for impairment annually at year-end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each segment to which the goodwill relates. Where the recoverable amount of the segment is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

(g) Critical accounting judgments and key sources of estimation uncertainty

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements Three and Nine Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

2. Significant accounting policies (continued)

(g) Critical accounting judgments and key sources of estimation uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical areas of estimation and judgments in applying accounting policies include the following:

Going concern

As discussed in note 1, these consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due.

Deferred taxes

The calculation of deferred taxes is based on assumptions which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude of non-capital losses available for carry forward and of the balances in various tax pools. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future period could be material. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Useful lives of property and equipment and intangibles

The Company reviews the estimated useful lives of property and equipment and intangibles with finite useful lives at the end of each year and assesses whether the useful lives of certain items should be shortened or extended, due to various factors including technology, competition and revised service offerings. During the year ended September 30, 2021, the Company was not required to adjust the useful lives of any assets based on the factors described above.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are reviewed against the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Share-based payments

The Company estimates the fair value of warrants and options using the Black-Scholes option pricing model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected dividends.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars) (Unaudited)

2. Significant accounting policies (continued)

(g) Critical accounting judgments and key sources of estimation uncertainty (continued)

Impairment testing goodwill

The Company performs annual impairment tests for impairment of goodwill at the end of each fiscal year or when events occur or circumstances change that would, more likely than not, indicate an impairment loss is present. Key assumptions in the impairment assessment include underlying recoverable amounts of respective CGUs, the discount rates applied, future growth rates and forecast cash flows.

3. Amounts receivable

	June 30, 2022	September 30, 2021
Trade receivables	\$ 203,502	\$ 222,267
CEWS receivable (note 17)	-	89,268
CERS receivable (note 17)	-	22,628
Government grant receivable (note 5)	22,581	76,962
HST receivable	127,520	127,961
Other receivables (note 15)	326,559	154,343
Total amounts receivable	\$ 680,162	\$ 693,429

Other receivables consist of loans extended by the Company to officers of the Company of \$326,559, to be paid on demand at the Bank of Canada's prime rate of 2.45% (note 15). The table below is a summary of the loans extended to the officers of the Company:

	June 30, 2022	September 30, 2021
Andrew White (CEO) (note 15)	\$ 283,559	\$ 131,343
Mark Korol (CFO) (note 15)	\$ 35,000	\$ 15,000
Brian Bobbie (note 15)	\$ 8,000	\$ 8,000

4. Inventory

The Company's inventory consists of activated carbon acquired from third parties for the purposes of selling to the Company's customers or using in the operations of the engineering services.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars) (Unaudited)

5. Property and Equipment

Cost	Computer Equipment	Production Equipment	Asset Retirement Costs	Building and Kiln	Leasehold Improvements	Total
Balance, September 30, 2020	\$ 26,963	\$ 58,621	\$ 56,430	\$ 1,633,124	\$ 20,215	\$ 1,795,353
Additions	5,995	16,769	-	-	20,215	42,979
Balance, September 30, 2021	34,497	767,144	56,430	1,633,124	20,215	2,511,410
Additions	8,857	1,937,246	-	-	35,000	1,981,103
Balance June 30, 2022	\$ 43,353	\$ 2,704,390	\$ 56,430	\$ 1,633,124	\$ 55,215	\$ 4,492,512

Accumulated depreciation	Computer Equipment	Production Equipment	Asset Retirement Costs	Building and Kiln	Leasehold Improvements	Total
Balance, September 30, 2020	\$ 20,585	\$ 45,206	\$ 39,196	\$ 653,251	\$ 1,516	\$ 759,753
Additions	3,486	10,733	17,234	326,624	6,064	364,141
Balance, September 30, 2021	24,071	55,939	56,430	979,875	7,580	1,123,894
Additions	3,937	42,340	-	244,968	4,548	295,793
Balance June 30, 2022	\$ 28,008	\$ 98,279	\$ 56,430	\$ 1,224,843	\$ 12,129	\$ 1,419,689

Net book value	Computer Equipment	Production Equipment	Asset Retirement Costs	Building and Kiln	Leasehold Improvements	Total
Balance, September 30, 2021	\$ 10,426	\$ 711,205	-	\$ 653,249	\$ 12,635	\$ 1,387,515
Balance June 30, 2022	\$ 15,345	\$ 2,606,111	-	\$ 408,281	\$ 43,086	\$ 3,072,823

The Kiln consists of the High Temperature Pyrolysis system to produce SulfaCHAR and CleanFyre, which commenced operation in October 2018. On December 10, 2014, the Company entered into a funding agreement with SD Natural Gas Fund supported by Sustainable Development and Technology Canada ("SDTC") and the Canadian Gas Association to execute on a project to build a 1 tonne per day SulfaCHAR production system. Further to that funding agreement, a Contribution Agreement was signed on November 9, 2015. The grant supports \$750,000 to be paid according to stipulated milestones.

The 1 tonne a day SulfaCHAR production system project was co-funded through Ontario Centres of Excellence ("OCE"). OCE approved a \$1,000,000 non-repayable grant on June 28, 2017 towards the project following the milestones of the SD Natural Gas Fund. Disbursements are subordinate to SD Natural Gas fund approvals and payments.

The milestones were as follows:

Milestone 1: Design and Fabrication of a 1 tonne per day SulfaCHAR production system. Funding from SDTC \$351,227 and OCE \$237,759. This milestone was completed on July 28, 2017.

Milestone 2: Commissioning and initial operation of the 1 tonne a day SulfaCHAR production system. Funding from SDTC \$189,692 and OCE \$441,759. This milestone was completed on October 31, 2018.

Milestone 3 (Final): Testing of the use of SulfaCHAR for biogas cleaning and agricultural applications. Funding from SDTC \$134,081 and OCE \$220,482. This milestone was completed on February 18, 2021.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements Three and Nine Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

5. Property and Equipment (continued)

The 10% holdback (\$75,000) from SDTC has been received during the year ended September 30, 2021 (note 3).

The Company received during the year ended September 30, 2021 \$18,750 from SDTC as additional funding in response to COVID-19.

On January 23, 2018, the Company received approval for \$1,062,385 from the Government of Ontario through the Low Carbon Innovation Fund ("LCIF") for the commercialization of "Cleanfyre", a carbon neutral coal replacement. The Company received payments of \$531,193 and \$371,835 for milestones 1 and 2, respectively. The next payment will be disbursed as stipulated in the agreement.

The milestones were as follows:

Milestone 1: Consistent production of 1 tonne batches of Cleanfyre that meet the technical specifications of Industrial partners. Funding from LCIF \$531,193. This milestone has been completed.

Milestone 2: 20 tonne field trial of Cleanfyre. Funding from LCIF \$371,835. This milestone has been completed.

The grants received from SDTC, OCE and LCIF are recorded as deferred grant income until the full completion of the construction and production. The grant income is recognized as grant income on systematic basis consistent with the amortization of the related assets.

The Company entered into a commercialization services agreement with Bioindustrial Innovation Canada ("BIC") on April 15, 2021, where BIC is supporting the balance of plant requirements for upgrading the existing CHAR biocarbon production facility to add the production of renewable natural gas ("RNG"). Commercialization of Sustainable Innovation ("COMM SCI") is providing \$95,000 in a non-repayable cash contribution and \$105,000 in in-kind support from BIC. Balance of plant work includes the civil, structural, mechanical, electrical and other engineering disciplines required to connect the CHAR RNG production system to the various utility requirements.

The Company entered into a contribution agreement with Natural Gas Innovation Fund ("NGIF") on June 22, 2021, where NGIF will be providing \$300,000 in non-repayable grant funding towards the installation of CHAR RNG production system to the current CHAR biocarbon system. The grant includes a 10% holdback to be disbursed on project completion, with the remaining funds being disbursed at the commencement of each of three milestones. Included in Government grant receivable is the Initial Advance for \$81,000, after the deduction of the holdback for \$9,000, (30% of total NGIF contribution) invoiced during the quarter ended June 30, 2021. The milestones are as follows:

Milestone 1: Detailed Engineering Design. This milestone is in progress.

Milestone 2: Fabrication and Commissioning. This milestone has not yet begun.

Milestone 3: Validation. This milestone has not yet begun.

The Company recognized during the quarter ended June 30, 2022, \$110,204 (year ended September 30, 2021: \$440,814) grant income for the grant received from projects above.

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended June 30, 2022
(Expressed in Canadian Dollars) (Unaudited)

5. Property and Equipment (continued)

	June 30, 2022	September 30, 2021
Grant received from SDTC	\$ 768,750	\$ 768,750
Grant received from OCE	1,000,000	1,000,000
Grant received from LCIF	903,027	903,027
Advance received from NGIF	81,000	81,000
NGIF 10% holdback (note 3)	9,000	9,000
COMM SCI rebate to date (note 3)	110,681	67,962
Total accumulated recognized grant income	(2,097,145)	(1,766,534)
Total deferred grant income	775,313	1,063,205
Less current portion	(110,204)	(440,814)
Long-term portion	\$ 665,109	\$ 622,391

6. Right-of-use Assets

Cost	Vehicles	Office space and land	Total
Balance – September 30, 2021	\$ 84,971	\$ 137,159	\$ 222,130
Additions	-	-	-
Deductions	8,641	-	8,641
Balance June 30, 2022	\$ 76,330	\$ 137,159	\$ 213,489

Accumulated amortization	Vehicles	Office space and land	Total
Balance – September 30, 2021	\$ 35,634	\$ 90,724	\$ 126,360
Amortization	17,376	16,718	34,094
Balance – June 30, 2022	\$ 53,010	\$ 107,442	\$ 160,454

Net book value	Vehicles	Office space and land	Total
Balance, September 30, 2021	\$ 49,337	\$ 46,435	\$ 95,772
Balance, June 30, 2022	\$ 23,320	\$ 29,717	\$ 53,037

CHAR Technologies Ltd.

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7. Intangible assets

Cost	Technology License	Purchased Technology	Patents	Customer Relationship	Proprietary Design	Total
Balance, September 30, 2021	\$3,669,408	\$ 1,180,000	\$ 14,824	\$ 42,000	\$ 20,197	\$ 4,926,429
Additions		-	7,371	-	-	7,371
Balance June 30, 2022	\$ 3,669,408	\$ 1,180,000	\$ 22,195	\$ 42,000	\$ 20,197	\$ 4,933,800
Accumulated amortization		Purchased Technology	Patents	Customer Relationship	Proprietary Design - IP	Total
Balance, September 30, 2021	\$ 304,946	\$ 649,000	\$ 2,382	\$ 31,460	\$ 504	\$ 988,292
Amortization	914,838	88,500	1,480	6,300	1,515	1,012,633
Balance, June 30, 2022	\$ 1,219,784	\$ 737,500	\$ 3,862	\$ 37,760	\$ 2,019	\$ 2,000,925
Net book value		Purchased Technology	Patents	Customer Relationship	Proprietary Design - IP	Total
Balance, September 30, 2021	\$3,364,462	\$ 531,000	\$ 12,442	\$ 10,540	\$ 19,693	\$ 3,938,137
Balance, June 30, 2022	\$ 2,449,624	\$ 442,500	\$ 18,333	\$ 4,240	\$ 18,178	\$ 2,932,874

During the year ended September 30, 2021, the Company signed an exclusive technology licensing agreement (“the Agreement”) with CHAR’s principal kiln technology supplier, Anergy Pte Ltd. (“Anergy”). CHAR has the technology rights to all the equipment intellectual property, including patents and designs, which will allow the Company to more efficiently lead the engineering, procurement and manufacturing of the entire high-temperature pyrolysis (HTP) system. The effective date of the Agreement is July 1, 2021 and is effective for 3 years. Pursuant to the exclusive license agreement, the Company is obligated to make minimum advance royalty payments of US\$3,000,000.

The minimum royalty payment required is US\$500,000 in year 1, US\$1,000,000 in year 2 and US\$1,500,000 in year 3. The payments for the first three years of the Agreement are to be paid as follows: US\$750,000 in 2021 and US\$2,250,000 paid in 2022. The Company paid Anergy US\$750,000 during the year end September 30, 2021 and US\$750,000 during the quarter ended December 31, 2021. The Agreement also includes 800 engineering hours of support to be provided by Anergy related to knowledge transfer and training. The fair value of the engineering hours was determined to be \$152,892 and was recorded as a prepaid expense, and remains at \$152,892 as at June 30, 2022. The remaining amount of \$3,669,408 royalty payments was recorded as an intangible asset in the consolidated statements of financial position as at September 30, 2021. This amount is recorded at \$2,449,623 as at June 30, 2022. The Company accrued \$1,911,150 related to the Agreement as at June 30, 2022 (note 8).

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8. Accounts payable and accrued liabilities

	June 30, 2022	September 30, 2021
Trade accounts payable (note 15)	\$ 690,417	\$ 333,541
Royalties payable (note 7)	1,911,150	2,866,725
Accrued liabilities	204,540	75,115
Total accounts payable and accrued liabilities	\$ 2,806,107	\$ 3,275,381

9. Loan Payable

During the year ended September 30, 2020, the Company obtained an auto loan for the purchase of a company vehicle. The table below is a summary of the continuity of the loan as of June 30, 2022:

	June 30, 2022
Balance, September 30, 2021	\$ 9,307
Addition	-
Repayments	(2,585)
Balance, June 30, 2022	\$ 6,722
Current portion	\$ 905
Non-current portion	\$ 5,817

The terms of the auto loan are as follows: principal: \$16,769, annual interest rate: 6.14%, maturity: October 17, 2024 and bi-weekly instalments of \$150.

During the year ended September 30, 2020, the Company obtained two CEBA loans from TD Bank, for \$40,000 each ("the CEBA loans"). The terms of the loan are as follows: principal \$40,000, interest rate: 0% per annum during Initial Term and 5% during Extended Term, Initial Term date: December 31, 2022, Extended Term date: December 31, 2025, First Interest Payment date: January 31, 2023.

During the year ended September 30, 2020, the Company obtained the Regional Relief and Recovery Fund (RRRF) for \$148,323 ("the RRRF loan"). The terms are as follows: principal: \$148,323, annual interest rate: 0%, repayment starting: January 15, 2023, maturity: December 15, 2027 and monthly installments of \$2,472.

During the year ended September 30, 2021, the Company obtained two additional CEBA loans from TD Bank, for \$20,000 each ("the CEBA loans"). The terms of the loan are as follows: principal \$20,000, interest rate: 0% per annum during Initial Term and 5% during Extended Term, Initial Term date: December 31, 2022, Extended Term date: December 31, 2025, First Interest Payment date: January 31, 2023.

The CEBA loans and RRRF loan were discounted at inception date using a market interest rate of 5%.

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9. Loan Payable (continued)

		June 30, 2022
Balance, September 30, 2021	\$	197,056
Accretion		7,630
Balance, June 30, 2022	\$	204,686
Current portion	\$	-
Non-current portion	\$	204,686

10. Lease Liabilities

On October 1, 2019, the Company adopted IFRS 16. As at October 1, 2019, the Company recognized right-of-use asset of \$137,159 and lease liability of \$89,160 (Office space and land) and right-of-use asset of \$65,104 and lease liability of \$65,104 (note 6). The Company did not apply IFRS 16 on a fully retrospective basis. On the date of adoption of IFRS 16, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10% for Office space and land and an interest rate of 6% for Vehicles.

The table below is a summary of the continuity of the lease liabilities as of June 30, 2022:

		Office space
Balance – September 30, 2021	\$	50,843
Additions		-
Accretion expense		3,251
Lease payments		(20,352)
Balance – June 30, 2022	\$	33,742
Current portion	\$	5,990
Non-current portion	\$	27,752

		Vehicles
Balance – September 30, 2021	\$	51,367
Additions		-
Deductions		(9,341)
Accretion expense		2,748
Lease payments		(19,999)
Balance – June 30, 2022	\$	24,775
Current portion	\$	3,769
Non-current portion	\$	21,006

CHAR Technologies Ltd.

Notes to the Condensed Interim Consolidated Financial Statements Three and Nine Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

11. Share capital

(a) Authorized share capital

Unlimited number of common shares, with no par value.

(b) Issued common shares

	Number of Shares	Amount
Balance, September 30, 2020	45,137,314	\$ 6,290,039
Common shares issued for cash (i) (ii)	25,411,537	6,694,999
Unit Warrants (ii)	-	(1,015,385)
Share issuance costs cash	-	(410,469)
Fair value assigned to broker warrants (iii)	-	(192,143)
Shares issued on exercise of stock options (note 13)	754,000	126,029
Fair value of unit options exercised	-	107,890
Share issued on exercise of unit warrants	202,900	81,160
Fair value of unit warrants exercised	-	22,319
Balance, September 30, 2021	71,505,751	\$ 11,704,439
Common shares issued for cash (iv)	10,877,514	\$ 4,894,881
Unit Warrants (iv)	-	(271,937)
Share issuance costs cash	-	(317,893)
Fair value assigned to broker warrants (v)	-	(17,774)
Share issued on exercise of stock options (note 13)	556,000	99,920
Share issued on exercise of unit warrants	63,900	25,560
Fair value of unit warrants exercised	-	7,029
Balance, June 30, 2022	83,003,165	\$ 16,124,225

(i) In October 2020, the Company completed a non-brokered private placement for \$695,000 through the issuance of 6,950,000 common shares at a price of \$0.10 per share.

(ii) In February 2021, the Company completed a non-brokered private placement whereby the Company issued 18,461,537 units at a price of \$0.325 per unit for gross proceeds of \$5,999,999. Each unit is comprised of one common share and one half of a warrant exercisable at \$0.40 within two years. The Company has allocated \$4,984,614 to common stock and \$1,015,385 to the value of the warrants issued using the Black Scholes model.

(iii) In February 2021, with respect to the Company's unit financing, 914,967 broker warrants were issued for a 2 year term at a strike price of \$0.325. The fair value of the broker warrants of \$192,143 was determined using the Black Scholes model.

(iv) In March 2022, the Company completed a non-brokered private placement whereby the Company issued 10,877,514 units at a price of \$0.45 per unit for gross proceeds of \$4,894,881. Each unit is comprised of one common share and one half of a warrant exercisable at \$0.60 within 18 months. The Company has allocated \$4,622,944 to common stock and \$271,937 to the value of the warrants issued using the Black Scholes model.

(v) In March 2022, with respect to the Company's unit financing, 355,472 broker warrants were issued for a 18 months term at a strike price of \$0.60. The fair value of the broker warrants of \$17,774 was determined using the Black Scholes model.

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11. Share capital (continued)

The following table reflects the continuity of unit warrants for the periods presented:

	Number of Unit Warrants	Exercise Price (\$)
Balance, September 30, 2020	-	\$ -
Warrants from Units	9,230,769	\$ 0.40
Unit Warrants Exercised	(202,900)	0.40
Balance, September 30, 2021	9,027,869	\$ 0.40
Warrants from Units	5,438,747	0.60
Unit Warrants Exercised	(63,900)	0.40
Balance, June 30, 2022	8,963,969	\$ 0.40
	5,438,747	\$ 0.60
Unit Warrants Total	14,402,716	
	Number of Broker Warrants	Exercise Price (\$)
Balance, September 30, 2020 and 2021	-	\$ -
Broker warrants issued	914,967	\$ 0.33
Broker warrants issued	355,472	0.60
Balance, June 30, 2022	914,967	\$ 0.33
	355,472	\$ 0.60
Broker Warrants Total	1,270,439	

12. Net loss per common share

Basic and diluted loss per share are as follows for the periods presented:

	Three Months Ended June 30		Nine Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net loss	\$ (1,424,925)	\$ (925,702)	\$ (4,719,112)	\$ (1,626,087)
Denominator				
Weighted average number of common shares				
- basic	83,003,165	70,805,028	83,003,165	61,573,083
- diluted	98,812,667	86,051,512	98,812,667	76,819,567
Net loss per share - basic and diluted	(0.02)	(0.01)	\$ (0.06)	\$ (0.03)

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13. Stock options, restricted share units, and share appreciation rights

The following table reflects the continuity of stock options for the years presented:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, September 30, 2020	3,898,125	0.17
Granted (i) (ii) (iii) (iv)	1,653,000	0.53
Exercised	(754,000)	0.72
Forfeited	(24,000)	0.52
Balance, September 30, 2021	4,773,125	0.25
Granted (v)	1,669,075	0.45
Exercised	(51,000)	0.22
Exercised	(505,000)	0.18
Expired	(240,000)	0.18
Balance, June 30, 2022	5,646,200	0.25

(i) On January 29, 2021, the Company granted 1,333,000 stock options to directors, officers, employees, and consultants of the Company. The stock options may be exercised for a period of five years at a price of \$0.49 per share. These stock options vest as follows: 672,500 stock options immediately, 80,000 stock options over one year, and 580,500 options according to performance conditions.

The options were valued at \$653,166 using the Black Scholes Options Pricing Model, of which \$571,331, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the year ended September 30, 2021. The options were valued using the following assumptions and inputs: share price of \$0.59 exercise price of \$0.49; expected dividend yield of 0%; expected volatility of 117%; risk-free interest rate of 0.43%; and an expected average life of five years.

(ii) On March 31, 2021, the Company granted 150,000 stock options to directors of the Company. The stock options may be exercised for a period of five years at a price of \$0.72 per share. These stock options vested immediately.

The options were valued at \$92,004 using the Black Scholes Options Pricing Model, of which \$92,004, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the year ended September 30, 2021. The options were valued using the following assumptions and inputs: share price of \$0.72 exercise price of \$0.72; expected dividend yield of 0%; expected volatility of 128%; risk-free interest rate of 0.99%; and an expected average life of five years.

(iii) On April 5, 2021, the Company granted 95,000 stock options to directors and consultants of the Company. The stock options may be exercised for a period of five years at a price of \$0.720 per share. These stock options vest as follows: 35,000 stock options immediately and 60,000 stock options in one year.

The options were valued at \$61,666 using the Black Scholes Options Pricing Model, of which \$41,712, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the year ended September 30, 2021. The options were valued using the following assumptions and inputs: share price of \$0.75 exercise price of \$0.72; expected dividend yield of 0%; expected volatility of 131%; risk-free interest rate of 1.01%; and an expected average life of five years.

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Notes to the Condensed Interim Consolidated Financial Statements Three and Nine Months Ended June 30, 2022 (Expressed in Canadian Dollars) (Unaudited)

13. Stock options, restricted share units, and share appreciation rights (continued)

(iv) On July 21, 2021, the Company granted 75,000 stock options to a consultant of the Company. The stock options may be exercised for a period of five years at a price of \$0.520 per share. These stock options vest as follows: 18,750 stock options vest three months after the date of the grant, 18,750 after six months, 18,750 after nine months and the remaining 18,750 in one year.

The options were valued at \$42,970 using the Black Scholes Options Pricing Model, \$17,308, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the year ended September 30, 2021. The options were valued using the following assumptions and inputs: share price of \$0.66, exercise price of \$0.52; expected dividend yield of 0%; expected volatility of 128%; risk-free interest rate of 0.39%; and an expected average life of five years.

(v) On March 17, 2022, the Company granted 1,669,075 stock options to directors, officers, employees, and consultants of the Company. The stock options may be exercised for a period of five years at a price of \$0.45 per share. These stock options vest as follows: 1,094,075 stock options immediately, 25,000 stock options over six months, 50,000 stock options over one year and 500,000 stock options according to performance conditions.

The following table reflects the actual stock options issued and outstanding as of June 30, 2022:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
January 18, 2023	0.22	0.55	620,000	620,000	-
January 28, 2024	0.20	1.58	513,000	513,000	-
August 16, 2024	0.16	2.13	78,125	78,125	-
January 30, 2025	0.115	2.59	858,000	858,000	-
February 27, 2025	0.150	2.67	100,000	100,000	-
April 1, 2025	0.075	2.76	160,000	160,000	-
January 29, 2026	0.49	3.59	1,328,000	1,107,500	220,500
March 31, 2026	0.72	3.75	150,000	150,000	-
April 5, 2026	0.72	3.77	95,000	35,000	60,000
July 21, 2026	0.52	4.06	75,000	56,250	18,750
March 17, 2027	0.45	4.72	1,669,075	1,094,075	575,000
	0.35	2.92	5,646,200	4,771,950	874,250

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Restricted Share Units ("RSUs")

On August 31, 2021, the Company granted 1,039,459 RSUs to officers and employees of the Company. The RSUs may be exercised for a period of five years. A value of \$39,913, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the quarter ended June 30, 2022. As at June 30, 2022, 470,228 RSUs are exercisable.

On March 17, 2022, the Company granted 160,416 RSUs to employees and consultants of the Company. A value of \$72,187, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the quarter ended March 31, 2022. As at March 31, 2022, 160,416 RSUs are exercisable.

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13. Stock options, restricted share units, and share appreciation rights (continued)

Restricted Share Units ("RSUs") (continued)

On May 26, 2022, the Company granted 12,500 RSUs to an employee of the Company. A value of \$4,625, was recognized as share-based payment in the consolidated statement of loss and comprehensive loss for the quarter ended June 30, 2022. As at June 30, 2022, 12,500 RSUs are exercisable.

Share Appreciation Rights ("SARs")

On August 31, 2021, the Company granted 480,000 SARs to an officer of the Company. The SARs may be exercised for a period of five years at a strike price of \$0.72 per share. A fair value of \$110,894, was recognized as share-based payments in the consolidated statements of loss and comprehensive loss for the year ended September 30, 2021. As at June 30, 2022, 160,000 SARs are exercisable.

14. Asset retirement obligation

The following table shows the movement for the asset retirement obligation:

	June 30, 2022	September 30, 2021
Balance, beginning	\$ 60,414	\$ 60,074
Accretion	-	340
Balance, ending	\$ 60,414	\$ 60,414

The Company's asset retirement obligation consists of costs associated with SulfarCHAR production system (note 5). The land and building where the Company is building the project is leased from a third party for three years. According to the lease agreement, the Company must dismantle and remove all its equipment at the completion of the lease. In calculating the fair value of the Company's asset retirement obligations, the Company used a risk-free rate of 2.3% and an inflation rate of 2%. The majority of the expenditures are expected to occur in 2022.

The lease expired in December 2020 and the Company is now on a month-to-month lease.

15. Related party balances and transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The transactions with related parties are as follows:

	Nine Months Ended June 30,	
	2022	2021
DSA Corporate Services ("DSA") (i)	\$ 7,827	\$ 7,713
1456087 Ontario Inc. ("1456087") (ii)	\$ 90,000	\$ 80,000
Mark Korol, CFO (iii)	\$ 108,000	\$ 129,000
Brian Bobbie (iv)	\$ 32,000	\$ -

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15. Related party balances and transactions (continued)

(i) DSA is affiliated with MSSSI through a common officer. DSA provides corporate secretarial services. As at June 30, 2022, DSA was owed \$750 (September 30, 2021 - \$944). These amounts are included in accounts payable and accrued liabilities (note 8).

(ii) 1456087 is a company controlled by James Sbrolla, a director of the Company. 1456087 provides consulting services to the Company.

(iii) Mark Korol was appointed Chief Financial Officer as of April 1, 2020. As at June 30, 2022, Mark Korol was owed \$nil.

(iv) Brian Bobbie is the former Chief Operating Officer of the Company. As at June 30, 2022, Brian Bobbie was owed \$nil.

At June 30, 2022, accounts payable balance due to related parties consist of \$41,250 owed to directors of the Company. These amounts are unsecured, non-interest bearing and due on demand (note 8).

As at June 30, 2022, included in receivables is an amount of \$326,559 (September 30, 2021: \$154,343) related to loans extended to officers of the Company (note 3).

Remuneration of key management of the Company was as follows:

	Nine Months Ended June 30,	
	2022	2021
Salaries	\$ 116,250	\$ 215,100

The Company Board of Directors compensation during the quarter ended June 30, 2022 was as follows:

	June 30, 2022
William White	\$ 5,625
James Sbrolla	\$ 5,000
Eric Beutel	\$ 5,625
Benj Gallander	\$ 5,000
Jane Pagel	\$ 5,000
Nikita Nanos	\$ 5,000
Paul Pellegrini	\$ 5,000
Hugh Cleland	\$ 5,000

16. Commitment

The Company has no obligations or commitments.

CHAR Technologies Ltd.

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17. Subsidies received

In response to the unprecedented impact of COVID-19 on Canadian business, in March 2020 the government announced a number of support programs for small businesses.

The Temporary Wage Subsidy (TWS) allows eligible employers to reduce the amount of payroll deductions they would otherwise be required to remit to the Canada Revenue Agency (CRA).

The Canada Emergency Wage Subsidy (CEWS) was announced on March 27, 2020. Under this program, qualifying employers whose business has been adversely affected by COVID-19 can receive up to 75% of their employees' wages.

In the Consolidated Statements of Loss and Comprehensive Loss, the Wage Subsidy has been netted against employee salaries (under office expenses).

The table below is a summary of the Wage Subsidy as of June 30, 2022:

	CEWS	TWS
First Period	\$ 31,578	\$ 2,514
Second Period	30,150	4,338
Third Period	33,249	2,611
Fourth Period	37,476	288
Fifth Period	37,877	-
Sixth Period	37,877	-
Seventh Period	25,245	-
Eighth Period	22,459	-
Ninth Period	22,292	-
Tenth Period	35,489	-
Eleventh Period	39,125	-
Twelfth Period	38,415	-
Thirteenth Period	31,511	-
Fourteenth Period	25,760	-
Fifteenth Period	9,498	-
Sixteenth Period	33,286	-
Seventeenth Period	41,319	-
Eighteenth Period	34,364	-
Nineteenth Period	8,148	-
Twentieth Period	5,437	-
Total Wage Subsidy	\$ 580,555	\$ 9,751
Wage Subsidy received as of June 30, 2022	580,555	9,751
Wage Subsidy receivable (note 3)	\$ -	\$ -

The Canada Emergency Rent Subsidy (CERS) was announced in September, 2020. Under this program, qualifying employers whose business has been adversely affected by COVID-19 can receive a subsidy to cover part of their commercial rent or property expenses. This subsidy provides payments directly to qualifying renters and property owners, without requiring the participation of landlords. The base subsidy rate applies to a maximum of \$75,000 in eligible expenses per location and an overall maximum of \$300,000 in expenses per claim period.

In the Consolidated Statements of Loss and Comprehensive Loss, the Rent Subsidy has been netted against rent expenses (under office expenses) related to the Company short term lease that has not been capitalized under IFRS16.

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Notes to the Condensed Interim Consolidated Financial Statements

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17. Subsidies received (continued)

The table below is a summary of the Rent Subsidy as of June 30, 2022:

	CERS
First Period	\$ 4,644
Second Period	4,737
Third Period	7,435
Fourth Period	9,694
Fifth Period	12,017
Sixth Period	10,138
Seventh Period	7,717
Eight Period	2,852
Ninth Period	8,803
Tenth Period	10,149
Eleventh Period	8,975
Twelfth Period	2,057
Thirteenth Period	1,447
Total Rent Subsidy	\$ 90,665
Rent Subsidy received as of June 30, 2022	90,665
Rent Subsidy receivable (note 3)	\$ -
