



FuelPositiveTM

Fuel For A Mindful World

FUELPOSITIVE CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**THREE AND NINE MONTHS ENDED
JUNE 30, 2024**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of FuelPositive Corporation (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.

FuelPositive Corporation

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at June 30, 2024	As at September 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 188,822	\$ 1,874,605
Prepaid expenses and sundry assets (note 5)	1,173,563	754,505
Total current assets	1,362,385	2,629,110
Non-current assets		
Property and equipment (note 6)	348,575	424,667
Right-of-use assets (note 7)	288,057	96,117
Loan receivable (note 8)	462,524	459,066
EEStor technology, rights, patents and development costs (note 9)	7,796,923	7,817,525
Green Ammonia production technology (note 10)	14,349,684	15,715,811
Total non-current assets	23,245,763	24,513,186
Total assets	\$ 24,608,148	\$ 27,142,296
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	\$ 1,545,206	\$ 662,857
Loan payable (note 13)	-	40,000
Lease liabilities (note 12)	90,347	58,859
Total current liabilities	1,635,553	761,716
Non-current liabilities		
Lease liabilities (note 12)	221,050	43,541
Total non-current liabilities	221,050	43,541
Total liabilities	1,856,603	805,257
Shareholders' equity		
Share capital (note 15)	107,935,850	106,157,642
Shares to be issued	113,563	-
Contributed surplus	26,551,498	25,341,203
Warrant capital	11,118,294	9,473,431
Accumulated deficit	(118,421,474)	110,160,529)
	27,297,731	30,811,747
Non-controlling interest	(4,546,186)	(4,474,708)
Total shareholders' equity	22,751,545	26,337,039
Total liabilities and shareholders' equity	\$ 24,608,148	\$ 27,142,296

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Olushola Ashiru" Director

"Ian Clifford" Director

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

FuelPositive Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Expenses				
General and administrative (notes 19 and 20)	\$ 2,095,853	\$ 2,310,483	\$ 6,032,326	\$ 7,243,458
Engineering and development (note 9)	1,964	-	9,870	21,563
Amortization and depreciation (notes 6 and 10)	723,666	638,570	2,141,160	1,883,865
Amortization of right-of-use asset (note 7)	51,553	14,417	129,902	43,252
Loss on settlement of debt	-	264,791	-	264,791
Accretion of lease liability (note 12)	8,646	2,989	23,680	8,748
Loss before under-noted item	(2,881,682)	(3,231,250)	(8,336,938)	(9,465,677)
Interest income (note 8)	1,216	1,140	4,515	26,359
Net loss and comprehensive loss for the period	\$ (2,880,466)	\$ (3,230,110)	\$ (8,332,423)	\$ (9,439,318)
Net loss for the year attributable to:				
Shareholders of the Company	\$ (2,826,813)	\$ (3,334,098)	\$ (8,260,945)	\$ (9,603,341)
Non-controlling interest in subsidiary (note 9)	(53,653)	103,988	(71,478)	164,023
	\$ (2,880,466)	\$ (3,230,110)	\$ (8,332,423)	\$ (9,439,318)
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Weighted average number of shares outstanding - basic and diluted	521,740,442	361,645,874	503,932,008	358,818,480

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

FuelPositive Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Cash flows used in operations		
Net loss for the period	\$ (8,332,423)	\$ (9,439,318)
Items not affecting cash:		
Depreciation and amortization (notes 6 and 10)	2,141,160	1,883,867
Amortization of right-of-use assets (note 7)	129,902	43,252
Stock-based compensation (note 17)	1,210,295	3,141,275
Professional fees settled with units	34,278	-
Interest expense	(3,458)	(7,911)
Accretion of lease liability (note 12)	23,680	8,748
Foreign exchange loss	-	22,001
Loss on settlement of debt	-	264,791
	(4,796,566)	(4,083,295)
Changes in non-cash working capital:		
Prepaid expenses and sundry assets	(419,058)	676,889
Accounts payable and accrued liabilities	882,350	881,477
Net cash used in operating activities	(4,333,274)	(2,524,929)
Investing activities		
Purchase of Green Ammonia production technology (note 10)	(572,074)	(2,629,148)
Purchase of property and equipment	(106,266)	(183,854)
Net cash used in investing activities	(678,340)	(2,813,002)
Financing activities		
Issuance of units and shares to be issued, net of issuance costs	3,502,356	3,405,385
Proceeds from the exercise of warrants and stock options (note 15)	-	319,343
Repayment of loan payable	(40,000)	-
Proceeds from bridge loans	-	1,211,473
Proceeds from shares to be issued	-	55,250
Repayment of bridge loan	-	(102,017)
Lease payments (note 12)	(136,525)	(5,485)
Net cash provided by financing activities	3,325,831	4,883,949
Net change in cash	(1,685,783)	(453,982)
Cash, beginning of period	1,874,605	2,211,383
Cash, end of period	\$ 188,822	\$ 1,757,401
Cash and cash equivalents consist of:		
Cash	\$ 138,822	\$ 1,757,401
Redeemable guaranteed investment certificates	50,000	-
	\$ 188,822	\$ 1,757,401
Supplemental Disclosure		
Units issued for services	\$ 34,278	\$ -

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

FuelPositive Corporation

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Unaudited

	Number of Shares	Share Capital	Shares to be issued	Contributed Surplus	Warrant Capital	Accumulated Deficit	Subtotal	Non-controlling Interest	Total
Balance, September 30, 2022	351,219,146	\$101,352,976	\$ -	\$ 19,919,349	\$ 7,791,261	\$(96,976,004)	\$ 32,087,582	\$ (4,536,122)	\$ 27,551,460
Loss for the period	-	-	-	-	-	(9,603,341)	(9,603,341)	-	(9,603,341)
Non-controlling interest in subsidiary	-	-	-	-	-	-	-	164,023	164,023
Comprehensive loss for the period	-	-	-	-	-	(9,603,341)	(9,603,341)	164,023	(9,439,318)
Transactions with shareholders:									
Issuance of units - net of costs (note 15(i))	53,870,699	3,405,385	-	-	-	-	3,405,385	-	3,405,385
Fair value of warrants and broker warrants (note 15(vii))	-	(1,508,281)	-	-	1,508,281	-	-	-	-
Shares issued for exercise warrants	4,698,857	408,346	-	-	(109,003)	-	299,343	-	299,343
Shares to be issued for settlement of bridge loans and payable	-	-	1,523,498	-	-	-	1,523,498	-	1,523,498
Shares issued for exercise of stock options	400,000	59,600	-	(39,600)	-	-	20,000	-	20,000
Transfer from warrant capital on expiry	-	-	-	348,260	(348,260)	-	-	-	-
Stock-based compensation (note 17)	-	-	-	3,141,275	-	-	3,141,275	-	3,141,275
Balance, June 30, 2023	410,188,702	\$103,718,026	\$ 1,523,498	\$ 23,369,284	\$ 8,842,279	\$(106,579,345)	\$ 30,873,742	\$ (4,372,099)	\$ 26,501,643
Balance, September 30, 2023	475,936,756	\$106,157,642	\$ -	\$ 25,341,203	\$ 9,473,431	\$(110,160,529)	\$ 30,811,747	\$ (4,474,708)	\$ 26,337,039
Loss for the period	-	-	-	-	-	(8,260,945)	(8,260,945)	-	(8,260,945)
Non-controlling interest in subsidiary	-	-	-	-	-	-	-	(71,478)	(71,478)
Comprehensive loss for the period	-	-	-	-	-	(8,260,945)	(8,260,945)	(71,478)	(8,332,423)
Transactions with shareholders:									
Issuance of units and shares to be issued - net of costs (note 15(vii))	62,631,181	3,388,793	113,563	-	-	-	3,502,356	-	3,502,356
Fair value of warrants (note 15(vii))	-	(1,630,247)	-	-	1,630,247	-	-	-	-
Units issued for settlement of debt (note 15 (vi))	681,600	34,278	-	-	-	-	34,278	-	68,556
Fair value of warrants issued in settlement of debt (note 15(vi))	-	(14,616)	-	-	14,616	-	-	-	-
Stock-based compensation (note 17)	-	-	-	1,210,295	-	-	1,210,295	-	1,210,295
Balance, June 30, 2024	539,249,537	\$107,935,850	113,563	\$ 26,551,498	\$ 11,118,294	\$(118,421,474)	\$ 27,297,731	\$ (4,546,186)	\$ 22,751,545

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

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

1. NATURE OF OPERATIONS AND GOING CONCERN

FuelPositive Corporation (the "Company" or "FuelPositive") is incorporated under the Business Corporations Act (Ontario) and its common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "NHHH". Any specific reference to "EESstor" herein means EESstor, Inc. alone a 71.3% subsidiary of FuelPositive Corporation. The Company's head office is located at 99 Northland Rd, Unit B, Waterloo, Ontario, N2V 1Y8.

FuelPositive Corporation is at the forefront of Canadian technology and is committed to delivering sustainable, environmentally responsible Green Ammonia solutions. The Company's innovative approach includes on-farm/on-site, containerized Green Ammonia production systems, effectively eliminating carbon emissions.

FuelPositive commercial Green Ammonia systems are versatile, serving multiple applications, including fertilizer for farming, fuel for grain drying, internal combustion engines, and hydrogen storage for fuel cells and other sectors.

The Company's main customer base consists of farmers, who currently utilize 80% of the global ammonia production. We address their nitrogen fertilizer needs while advocating for environmental change.

FuelPositive's Canadian company leverages Canada's expertise in technology and environmental stewardship to empower communities worldwide against food insecurity and is shaping a more resilient future for generations through collaboration and innovation.

The Company also holds certain technology rights to solid-state capacitor and related energy storage technologies currently under further advancements with strategic third parties. The Company is also a developer of energy storage and fossile fuel replacement technologies. The Company holds certain technology rights to solid-state capacitor and related energy storage technologies. The Company's success depends on the commercialization of its technology. There is no assurance that FuelPositive will be successful in the manufacturing, distribution or licensing of its technology. Readers are directed to the "Risk Factors" disclosed in the Company's public filings.

These unaudited condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Realization values may be substantially different from carrying values as shown and the financial statements do not given effect to adjustments that would be necessary to the carrying values and the classification of assets and liabilities should the Company be unable to continue operating as a going concern.

From time to time, the Company may pursue the raising of funds by an equity investment, debt borrowing or a combination of both. There can be no assurance that additional financing will be available on commercially reasonable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to fund its planned operations for at least the next 12 months and as a result may be required to substantially reduce or temporarily cease its operations, including but not limited to the reduction of payroll costs, development activities and other operating expenditures. Any such actions could have a material adverse effect on the Company's business, financial condition and prospects.

The Company has incurred a comprehensive loss of \$8,332,423 during the nine months ended June 30, 2024 and as of that date, the Company's deficit was \$118,421,474. These conditions raise material uncertainties which may cast significant doubt as to whether the Company will be able to continue as a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors, and on achieving profitable commercial operations.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

These unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These unaudited consolidated interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do 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 IFRS issued and outstanding as of August 29, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended September 30, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending September 30, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Adoption of new accounting policies

Government assistance

Repayable government assistance arrangements are recognized as a financial liability. The obligation to repay amounts under these agreements is recorded when the contribution is receivable and is estimated based on future projections. The government grant is recognized into income or assets as the related expenditures are recognized.

New standards and interpretations not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- a. clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period",
- b. clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability,
- c. make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to:

(i) Impairment of intangible assets

Judgment is required in assessing whether any indicators of impairment are applicable, as defined in IAS 36. Determination of the amount of impairment is based on management's estimate of the fair value less costs to sell of the intangible assets. The basis of calculation (Market calibration approach) involves multiple estimates such as estimated market price based on a historical transaction, adjustments for qualitative factors such as achievement of goals for further development, economic factors surrounding the battery industry etc.

(ii) Stock-based transactions

The Company uses an option pricing model to determine the fair value of share based compensation. Inputs to the model are subject to various estimates relating to volatility, interest rate and expected life of the instrument. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to determine the best estimate of fair value at the date of grant.

Separate from the fair value calculation, the Company is required to estimate the expected forfeiture rate of stock-based compensation.

(iii) Going concern

The Company makes significant judgments with respect to uncertainties in the ability of the Company to continue as a going concern based on estimates of future operations. The ability of the Company to continue as a going concern is dependent on the successful generation of revenue and financing.

(iv) Development costs

Management monitors the progress of the EEStor and green ammonia technologies. Significant judgment is required to distinguish between the research and development phases. Development costs are recognized as an asset when the following criteria are met: (i) technical feasibility; (ii) management's intention to complete the project; (iii) the ability to use or sell; (iv) the ability to generate future economic benefits; (v) availability of technical and financial resources; (vi) ability to measure the expenditures reliably. Research costs are expensed as incurred. Management also monitors whether the recognition requirements for development assets continue to be met and whether there are any indicators that capitalized costs may be impaired.

(v) Provision and contingent liabilities

Management's decision that no provision is needed for the contingency in note 24 represents management estimates and the eventual resolution of the liability may differ based on additional information and the occurrence of future events.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

4. USE OF ESTIMATES AND JUDGMENTS (Continued)

- (vi) Estimated useful lives of equipment and intangible assets

Depreciation of equipment and intangible assets is dependent upon estimates of useful lives based on management's judgment.

- (vii) Functional currency

The functional currency of Fuelpositive and its subsidiaries is the Canadian Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

- (viii) Valuation of shares issued for non-cash consideration

The Company applies judgments with respect to the fair value assigned to shares issued for non-cash consideration.

5. PREPAID EXPENSE AND SUNDRY ASSETS

	As at June 30, 2024	As at September 30, 2023
Advance to Chief Executive Officer ("CEO")	\$ 102,677	\$ 102,677
Prepaid expenses and advances to suppliers	955,439	451,117
HST receivable and other	115,447	200,711
Total	\$ 1,173,563	\$ 754,505

6. PROPERTY AND EQUIPMENT

Cost	Leasehold improvement	Machinery and equipment	Furniture and fixture	Computer Equipment	Total
Balance, September 30, 2022	\$ 74,584	\$223,842	\$ 3,489	\$ 101,635	\$ 403,550
Additions	78,774	94,191	38,846	12,346	224,157
Balance, September 30, 2023	153,358	318,033	42,335	113,981	627,707
Additions	65,536	31,951	1,615	7,163	106,265
Balance, June 30, 2024	\$ 218,894	\$ 349,984	\$ 43,950	\$ 121,144	\$ 733,972

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

6. PROPERTY AND EQUIPMENT (Continued)

Accumulated depreciation	Leasehold improvement	Machinery and equipment	Furniture and fixture	Computer Equipment	Total
Balance, September 30, 2022	\$ 4,464	\$ 9,327	\$ 87	\$ 9,791	\$ 23,669
Depreciation	54,431	84,651	4,514	35,775	179,371
Balance, September 30, 2023	58,895	93,978	4,601	45,566	203,040
Additions	63,610	83,154	6,446	29,147	182,357
Balance, June 30, 2024	\$122,505	\$177,132	\$ 11,047	\$ 74,713	\$ 385,397

Net book value	Leasehold improvement	Machinery and equipment	Furniture and fixture	Computer Equipment	Total
Balance, September 30, 2023	\$ 94,463	\$ 224,055	\$ 37,734	\$ 68,415	\$ 424,667
Balance, June 30, 2024	\$ 96,389	\$ 172,852	\$ 32,903	\$ 46,431	\$ 348,575

7. RIGHT-OF-USE ASSETS

Right-of-use assets are as follows:

	Plant space
Balance - September 30, 2022	\$ 153,787
Amortization	(57,670)
Balance - September 30, 2023	96,117
Additions (note 12)	321,842
Amortization	(129,902)
Balance - June 30, 2024	\$ 288,057

8. LOAN RECEIVABLE

On August 16, 2021, related to the performance of services pursuant to the terms of the consulting agreement with the CEO, the Company loaned the CEO a sum of \$200,000. On November 9, 2021, the Company loaned the CEO an additional sum of \$250,000. The loans bears interest at a rate of one percent (1%) per annum, compounded monthly and payable on the last business day of the month of August in each year during the term of the loan. The loan matures on the earlier of: (a) the termination of the consulting agreement for any reason whatsoever; and (b) August 31, 2026. On the maturity date, the CEO shall repay the full amount of the loan along with any accrued but unpaid interest thereon. In the event the weighted average closing price of the common shares of the Company on the TSX Venture Exchange exceeds \$0.50 for a period of no less than ten business days, the CEO will be obligated to complete a repayment of no less than \$100,000 to the Company upon the later of (i) ten business days following the price exceeding \$0.50 and (ii) the expiry of any restrictions on trading by insiders imposed by the Company. During the three and nine months ended June 30, 2024, the Company accrued interest income of \$ \$1,151 and 3,457, respectively (three and nine months ended June 30, 2023 - \$1,140 and \$7,911, respectively).

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

9. EESTOR TECHNOLOGY, RIGHTS, PATENTS AND DEVELOPMENT COSTS

Continuity of Assets

Intangible asset at September 30, 2022	\$ 9,006,132
Impairment of intangible assets (i)	(1,168,136)
Patent amortization	(20,471)
Intangible asset at September 30, 2023	7,817,525
Patent amortization	(20,602)
Intangible asset at June 30, 2024	\$ 7,796,923

(i) In September 2023, the Company's annual impairment testing determined that the carrying amount of the EESTor technology, rights, patents and development costs exceeded their recoverable value and as a result, the Company recorded an impairment charge of \$1,168,136 (2022 – \$5,805,187). The recoverable amount was determined using a fair value less cost to sell market approach.

EESTor Financial Information

The following tables set out the financial information related to EESTor.

	June 30, 2024 US (\$)	September 30, 2023 US (\$)
Long-term assets	865,302	880,454
Total assets	865,302	880,454
Current liabilities	101,500	101,500
Long-term liabilities (i)	11,470,381	11,470,381
Total liabilities	11,571,881	11,571,881
Shareholders' deficiency	(10,706,579)	(10,691,427)

(i) Includes preferred stock totaling \$4,028,000

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

9. EESTOR TECHNOLOGY, RIGHTS, PATENTS AND DEVELOPMENT COSTS (Continued)

EEStor's operating expenses included in the Consolidated Statement of Loss and Comprehensive Loss for the year ended June 30, 2024 and 2022 are as follows:

	Three months ended June 30, 2024 US (\$)	Three months ended June 30, 2023 US (\$)	Nine months ended June 30, 2024 US (\$)	Nine months ended June 30, 2023 US (\$)
General and administrative expenses	(74,018)	-	(90,191)	4,534
Engineering and development	(5,050)	(5,050)	(15,151)	(15,151)
Net income	(79,068)	(5,050)	(105,342)	(10,617)
Income attributed to the Company	(39,613)	(2,530)	(52,777)	(5,319)
Non-controlling interest in subsidiary	(39,455)	(2,520)	(52,565)	(5,298)
Net income	(79,068)	(5,050)	(105,342)	(10,617)

The amount of non-controlling interest is determined by multiplying the net loss for the period by the percentage of common stock held by a third party. As at June 30, 2024, the Company holds 50.1% of the common stock outstanding.

10. GREEN AMMONIA PRODUCTION TECHNOLOGY

The Company's core technology, a modular and scalable Green Ammonia system, takes air, water and sustainable electricity and synthesizes it into a non-polluting chemical for multiple applications, including as a carbon free fertilizer for farming, fuel for internal combustion engines and a solution for grid storage. Green Ammonia is being considered as a replacement for fossil fuels and as a key enabler of the hydrogen economy.

On March 26, 2021, the Company entered into an intellectual property purchase agreement with Dr. Ibrahim Dincer and his team for a technology to produce ammonia (NH₃) – a carbon free fertilizer and fuel – in a zero-emission manner, by utilizing only water, air and sustainable electricity. On April 21, 2021, the Company announced approval of the acquisition from the TSXV.

In consideration for the acquisition of all rights to the technology, the Company has agreed to issue 50,000,000 common shares to Dr. Dincer and his team, of which 35,000,000 (valued at \$12,425,000) were issued upon completion of the acquisition and the balance of 15,000,000 were issued after twelve months. During the year ended September 30, 2022, 15,000,000 common shares (valued at \$2,400,000) were issued. The Green Ammonia intellectual property has an estimated minimum useful life of 8 years.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

10. GREEN AMMONIA PRODUCTION TECHNOLOGY (Continued)

	Intellectual Property	Development Costs	Total
Balance, September 30, 2022	\$ 12,679,167	\$ 2,488,556	\$15,167,723
Additions	-	2,869,292	2,869,292
Amortization	(1,853,124)	(468,080)	(2,321,204)
Balance, September 30, 2023	10,826,043	4,889,768	15,715,811
Additions	-	572,075	572,075
Amortization	(1,389,843)	(548,359)	(1,938,202)
Balance, June 30, 2024	\$ 9,436,200	\$ 4,913,484	\$14,349,684

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at June 30, 2024	As at September 30, 2023
Trade accounts payables	\$ 1,463,145	\$ 540,272
Accrued liabilities	25,730	85,002
Amounts due to related parties	56,331	37,583
Total accounts payable and accrued liabilities	\$ 1,545,206	\$ 662,857

The Company's standard term for trade payable is 30 - 60 days.

12. LEASE LIABILITIES

The continuity of lease liabilities is presented in the table below:

	Plant space
Balance - September 30, 2022	\$ 112,802
Accretion expense	11,536
Lease payment	(21,938)
Balance - September 30, 2023	102,400
Addition	321,842
Accretion expense	23,680
Lease payment	(136,525)
Balance - June 30, 2024	\$ 311,397
Allocated as:	
Current	\$ 90,347
Long-term	221,050
	\$ 311,397

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

12. LEASE LIABILITIES (Continued)

The maturity analysis of the undiscounted contractual balances of the lease liabilities is as follows:

Maturity analysis	June 30, 2024
Less than one year	\$ 215,338
One to three years	108,500
Total undiscounted lease liabilities	323,838
Amount representing implicit interest	(12,441)
Lease liabilities	\$ 311,397

13. LOAN PAYABLE

During the year ended September 30, 2020, the Company applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The credit limit of \$60,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit was converted to a 3-year 0% interest term loan, to be repaid by December 31, 2023 of which \$20,000 of the loan will be forgiven if \$40,000 is repaid in full on or before December 31, 2023. If on December 31, 2023 the loan is not repaid, the Company can exercise the option for a 3-year term extension at an interest rate of 5% on the balance over the term extension period. The forgiveness repayment deadline was subsequently further extended to January 18, 2024. During the year ended September 30, 2023, the Company recorded a loan payable forgiveness income of \$20,000. During the nine months ended June 30, 2024, the Company repaid the remaining \$40,000 loan payable.

14. GOVERNMENT ASSISTANCE

On October 10, 2023, the Company announced that it would receive a funding grant of up to \$1.9 million through the Research and Innovation Stream of the Agriculture Clean Technology (ACT) Program, delivered by Agriculture and Agri-Food Canada (AAFC). During the nine months ended June 30, 2024, the Company received \$526,641 from the ACT Program which was included in the additions to the development costs of Green Ammonia production technology (note 10).

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

15. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares.

(b) Common shares issued

(i) On June 21, 2023, the Company completed the first tranche of its \$7,500,000 non-brokered private placement and has issued 53,870,699 units, at a price of \$0.065 per unit, for gross proceeds of \$3,501,595. Each unit consists of one common share of the Company and one common share purchase warrant, allowing holders to purchase an additional common share at an exercise price of \$0.09 until June 21, 2026. In the event the volume-weighted average closing price of the Company's common shares on the TSX Venture Exchange exceeds \$0.40 for ten consecutive trading days, the Company retains the option to accelerate the expiry date of the Warrants to thirty days after a public announcement of the election. The Company also issued 1,480,150 broker warrants for the private placement allowing holders to purchase an additional common share at an exercise price of \$0.09 until June 21, 2026 and incurred transaction costs of \$96,210.

The fair values of the warrants and finder's warrants are estimated at \$1,435,647 and \$72,634 using Black-Scholes pricing model with the following assumptions: share price \$0.065, dividend yield 0%, risk free interest rate 4.22%, volatility 141%, and an expected life 3 years. Expected volatility is based on historical volatility.

(ii) On July 18, 2023, the Company completed the second tranche of its non-brokered private placement and has issued 31,473,069 units, at a price of \$0.065 per unit, for gross proceeds of \$2,045,750. Each unit consists of one common share of the Company and one common share purchase warrant, allowing holders to purchase an additional common share at an exercise price of \$0.09 until July 18, 2026. In the event the volume-weighted average closing price of the Company's common shares on the TSX Venture Exchange exceeds \$0.40 for ten consecutive trading days, the Company retains the option to accelerate the expiry date of the Warrants to thirty days after a public announcement of the election. The Company also issued 245,000 broker warrants for the private placement allowing holders to purchase an additional common share at an exercise price of \$0.09 until July 18, 2026, issued 140,000 common shares at an issue price of \$0.065 and incurred transaction costs of \$6,825.

The fair values of the warrants and finder's warrants are estimated at \$872,357 and \$11,861 using Black-Scholes pricing model with the following assumptions: share price \$0.065, dividend yield 0%, risk free interest rate 4.29%, volatility 138%, and an expected life 3 years. Expected volatility is based on historical volatility.

(iii) On September 11, 2023, the Company completed a non-brokered private placement and has issued 6,741,000 units, at a price of \$0.06 per unit, for gross proceeds of \$404,460. Each unit consists of one common share of the Company and one common share purchase warrant, allowing holders to purchase an additional common share at an exercise price of \$0.09 until September 11, 2026. In the event the volume-weighted average closing price of the Company's common shares on the TSX Venture Exchange exceeds \$0.40 for ten consecutive trading days, the Company retains the option to accelerate the expiry date of the Warrants to thirty days after a public announcement of the election.

The fair values of the warrants is estimated at \$161,784 using Black-Scholes pricing model with the following assumptions: share price \$0.06, dividend yield 0%, risk free interest rate 4.42%, volatility 125%, and an expected life 3 years. Expected volatility is based on historical volatility.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

15. SHARE CAPITAL (Continued)

(b) Common shares issued (continued)

(iv) On July 28, 2023, the Company issued 22,096,123 units in settlement of the bridge loans. Each unit consists of one common share of the Company and one common share purchase warrant, allowing holders to purchase an additional common share at an exercise price of \$0.09 until July 28, 2026. The value of the units was determined at \$1,436,248 based on the fair market value of the debt settled.

The fair values of the warrants is estimated at \$610,980 using Black-Scholes pricing model with the following assumptions: share price \$0.065, dividend yield 0%, risk free interest rate 4.43%, volatility 137%, and an expected life 3 years. Expected volatility is based on historical volatility.

(v) On September 20, 2023, the Company issued 2,046,154 common shares and 3,251,708 units in settlement of certain accounts payable and accrued liabilities. Each unit consists of one common share of the Company and one common share purchase warrant, allowing holders to purchase an additional common share at an exercise price of \$0.09 until September 20, 2026. The value of the units was determined at \$344,361 based on the fair market value of the liabilities settled on the date of issuance.

The fair values of the warrants is estimated at \$87,796 using Black-Scholes pricing model with the following assumptions: share price \$0.065, dividend yield 0%, risk free interest rate 4.68%, volatility 125%, and an expected life 3 years. Expected volatility is based on historical volatility.

(vi) On October 3, 2023, the Company issued 681,600 units of the Company in settlement of debt in the amount of US\$25,000 owed to a third party in connection with professional services provided to the Company. Each unit is comprised of one common share and one common share purchase warrant with each warrant entitling the holder to purchase a common share of the Company at a price of \$0.065 for three years subject to accelerated expiry in certain circumstances. The fair values of the warrants is estimated at \$14,616 using Black-Scholes pricing model with the following assumptions: share price \$0.07, dividend yield 0%, risk free interest rate 4.42%, volatility 123%, and an expected life 3 years. Expected volatility is based on historical volatility.

(vii) On December 5, 2023, the Company completed the first tranche of a non-brokered private placement with the issuance of 24,545,454 units for \$0.055 per unit for gross proceeds of \$1,350,000. Each unit consists of one common share of the Company and one common share purchase warrant, allowing the holder to purchase an additional common share for \$0.07 until December 5, 2028. The Company incurred a transaction cost of \$12,352 for the private placement. The fair values of the warrants is estimated at \$632,343 using Black-Scholes pricing model with the following assumptions: share price \$0.07, dividend yield 0%, risk free interest rate 3.44%, volatility 157%, and an expected life 5 years. Expected volatility is based on historical volatility.

(viii) On February 9, 2024, the Company closed a final tranche of its non-brokered private placement (the "Offering") and has issued 9,961,909 units at a price of \$0.055 per unit, for aggregate gross proceeds of \$547,905. Each unit consists of one common share of the Company and one common share purchase warrant allowing holders to purchase an additional common share at a price of \$0.07 until February 9, 2029. In connection with closing of the final tranche of the Offering, the Company issued 525,000 Warrants and paid \$25,489 to certain arms-length parties who assisted in introducing subscribers to the Offering. All securities issued in the final tranche of the Offering are subject to a statutory hold period until June 10, 2024, in accordance with applicable securities laws. The fair values of the warrants is estimated at \$237,545 using Black-Scholes pricing model with the following assumptions: share price \$0.05, dividend yield 0%, risk free interest rate 3.65%, volatility 155%, and an expected life 5 years. The fair values of the broker warrants is estimated at \$23,896 using Black-Scholes pricing model with the following assumptions: share price \$0.05, dividend yield 0%, risk free interest rate 3.65%, volatility 155%, and an expected life 5 years. Expected volatility is based on historical volatility.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

15. SHARE CAPITAL (Continued)

(b) Common shares issued (continued)

(ix) On May 28, 2024, the Company closed the first tranche of its non-brokered private placement (the "Offering"). In connection with completion of the first tranche of the Offering, the Company has issued 28,123,818 units at a price of \$0.055 per unit for gross proceeds of \$1,546,810. Each unit consists of one common share of the Company and one common share purchase warrant allowing holders to purchase an additional common share at a price of \$0.07 for a period of sixty months. In connection with completion of the first tranche of the Offering, the Company issued 98,000 broker warrants to an arms-length brokerage firm who assisted in introducing subscribers to the Company. The fair values of the warrants is estimated at \$729,676 using Black-Scholes pricing model with the following assumptions: share price \$0.07 to \$0.075, dividend yield 0%, risk free interest rate 3.66% to 3.71%, volatility 153%, and an expected life 5 years. The fair values of the broker warrants is estimated at \$6,788 using Black-Scholes pricing model with the following assumptions: share price \$0.075, dividend yield 0%, risk free interest rate 3.66%, volatility 153%, and an expected life 5 years. Expected volatility is based on historical volatility.

16. WARRANTS

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

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2022	82,507,208	\$ 0.23
Issued (note 15(b)(i))	55,350,849	0.09
Exercised	(4,698,857)	0.06
Expired	(5,232,500)	0.11
Balance, June 30, 2023	127,926,700	\$ 0.18
Balance, September 30, 2023	183,307,317	0.14
Issued	63,935,781	0.07
Expired	(8,780,000)	0.10
Balance, June 30, 2024	238,463,098	\$ 0.12

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

16. WARRANTS (Continued)

The Company had the following warrants outstanding at June 30, 2024:

Number of Warrants	Exercise Price	Expiry Date
30,434,784	\$0.26	October 28, 2024
2,434,783	\$0.23	October 28, 2024
20,833,334	\$0.275	June 17, 2026
1,666,667	\$0.24	June 17, 2026
53,870,699	\$0.09	June 21, 2026
1,480,150	\$0.09	June 21, 2026
31,473,069	\$0.09	July 18, 2026
245,000	\$0.09	July 18, 2026
22,096,123	\$0.09	July 28, 2026
6,741,000	\$0.09	September 11, 2026
3,251,708	\$0.09	September 20, 2026
681,600	\$0.065	October 3, 2026
24,545,454	\$0.07	December 5, 2028
9,961,909	\$0.07	February 9, 2029
525,000	\$0.07	February 9, 2029
1,946,000	\$0.07	May 22, 2029
98,000	\$0.07	May 22, 2029
26,177,818	\$0.07	May 27, 2029
238,463,098		

17. STOCK OPTIONS

The Company has a stock option plan (the "Plan") which authorizes the Board to issue options to employees, directors and consultants providing services to the Company or its subsidiaries. The Plan is structured as a "fixed plan". Under the terms of the Plan, the number of shares issuable under stock options and the performance warrants cannot exceed 20% of the outstanding common shares of the Company. The Company sets the exercise price based on the closing market price at the time of the grant. The Company may grant options for a term not to exceed ten years. Vesting periods are assessed at the time of the grant and are documented in more detail in the table below. In the event of a takeover bid which results in the Offer or exercising control of the Company, stock options which might otherwise not be vested may be exercised as part of the takeover transaction.

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

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2022	18,932,500	\$ 0.12
Granted	36,640,000	0.13
Exercised	(400,000)	0.12
Expired	(20,000)	0.20
Balance, Jun 30, 2023	55,152,500	\$ 0.13

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

17. STOCK OPTIONS (Continued)

Balance, September 30, 2023	57,198,654	0.13
Granted	20,248,000	0.05
Expired	(1,355,000)	0.14
Forfeited	(7,870,000)	0.14
Balance, June 30, 2024	68,221,654	\$ 0.11
Exercisable	45,401,154	\$ 0.10

For the three and nine months ended June 30, 2024, the Company recorded \$435,305 and \$1,210,295, respectively (three and nine months ended June 30, 2023 - 1,048,065 and \$3,141,275, respectively) in stock-based compensation costs.

For the nine months ended June 30, 2024, the fair value of options is determined using the Black-Scholes option pricing model with the following weighted average assumptions: (i) dividend yield of 0%, (ii) expected volatility of approximately 155% to 156%, (iii) risk free interest rate of 3.24% to 3.58%, (iv) the expected life of 5 years, and (v) the share price on date of issuance of \$0.05 to \$0.06 and a forfeiture rate of 0%. Expected volatility is based on historical volatility. The weighted average fair value of the grant in the period was \$0.05 per instrument.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

17. STOCK OPTIONS (Continued)

The Company had the following stock options outstanding as of June 30, 2024:

<u>Number of Options</u>		<u>Exercise Price (\$)</u>	<u>Weighted Average Remaining Contractual Life (years)</u>	<u>Expiry Date</u>
<u>Outstanding</u>	<u>Exercisable</u>			
20,000	20,000	0.05	0.67	February 28, 2025
500,000	500,000	0.13	0.63	February 14, 2025
500,000	500,000	0.14	0.65	February 23, 2025
60,000	60,000	0.16	0.92	June 1, 2025
120,000	120,000	0.16	1.07	July 25, 2025
60,000	60,000	0.20	1.13	August 15, 2025
7,587,500	7,587,500	0.05	1.50	December 31, 2025
3,500,000	3,500,000	0.19	2.19	September 8, 2026
1,300,000	1,300,000	0.18	2.55	January 18, 2027
29,990,000	22,492,500	0.13	3.36	November 10, 2027
60,000	60,000	0.17	0.84	May 2, 2025
60,000	40,000	0.17	1.16	August 29, 2025
60,000	40,000	0.12	1.33	October 28, 2025
60,000	40,000	0.15	1.39	November 21, 2025
140,000	140,000	0.15	1.51	January 2, 2026
750,000	750,000	0.13	1.76	April 3, 2026
1,200,000	1,200,000	0.10	1.84	May 4, 2026
2,046,154	2,046,154	0.09	4.20	September 11, 2028
19,780,000	4,945,000	0.05	4.46	December 15, 2028
217,000	-	0.05	4.52	January 5, 2029
74,000	-	0.05	4.57	January 23, 2029
100,000	-	0.05	4.65	February 20, 2029
37,000	-	0.05	4.68	March 6, 2029
68,221,654	45,401,154		3.33	

18. SEGMENTED INFORMATION

As at June 30, 2024, the operations and assets of the Company's wholly-owned subsidiaries are located in Canada. The operations and assets of EESstor are located at 99 Northland Rd, Waterloo, Ontario and are summarized in note 9.

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

19. RELATED PARTY TRANSACTIONS

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer. Key management personnel may also participate in the Company's stock-based compensation plans (note 17).

The remuneration of key management personnel were as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Salaries and wages	\$ 346,050	\$ 215,500	\$ 1,197,600	\$ 1,058,495
Professional fees ⁽¹⁾	5,090	7,635	32,458	40,551
Directors' fees	62,500	82,000	171,417	246,000
Consulting fees	-	-	-	91,620
Stock-based compensation	333,747	721,884	1,150,575	2,298,058
	\$ 747,387	\$ 1,027,019	\$ 2,552,050	\$ 3,734,724

⁽¹⁾ Mr. Jing Peng was appointed Chief Financial Officer of the Company in July 2019. Mr. Peng is also a senior employee of Marrelli Support Services Inc. ("Marrelli Support"). Marrelli Support also provides financial reporting services to the Company.

As at June 30, 2024, the Company owed director fees of \$42,000 (September 30, 2023 - \$37,583) and professional fees of \$20,082 (September 30, 2023 - \$nil). (see note 11).

See note 8.

20. GENERAL AND ADMINISTRATIVE

	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Salaries, wages and bonuses	\$ 845,424	\$ 446,427	\$ 2,240,761	\$ 1,742,766
Stock-based compensation	435,305	1,048,065	1,210,295	3,141,275
Investor relations	127,255	364,294	377,679	540,284
Professional fees	55,077	174,124	355,049	654,360
Consulting fees	274,056	65,521	824,658	339,003
Regulatory and filing fees	25,079	39,730	156,713	101,803
Office and general	315,580	158,603	844,907	703,963
Foreign exchange loss	18,077	13,719	22,264	20,004
	\$ 2,095,853	\$ 2,310,483	\$ 6,032,326	\$ 7,243,458

FuelPositive Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended June 30, 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Unaudited

21. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern for the benefit of shareholders and other stakeholders by balancing cash conservation and prudent investment in its operations in order to further its business objectives.

Working capital management is fundamental to the broader management of capital. The Company has a defined investment policy restricting the investment of cash balances to term deposits and bankers' acceptances. Non-cash working capital is managed with defined business practices and policies intended to optimize the investment and safeguard the assets.

The Company includes equity in its definition of capital. Equity is comprised of share capital, contributed surplus, warrant capital and deficit and amounted to \$27,297,731 (September 30, 2023 - \$30,811,747). The Company's approach to raising equity has been to raise sufficient capital to take the Company toward a target milestone, with an objective of successive capital raises being at a higher price and therefore less dilutive for shareholders. To secure additional capital to pursue its objectives, the Company may raise additional funds through the issuance of equity. The Company's ability to continue with its incremental capital raise strategy is a function of many factors, including the state of the capital markets, and there is no assurance that this approach will be practical on a go forward basis.

The Company is not subject to any external capital requirements. There have been no changes with respect to the overall capital management strategy during the period ended June 30, 2024.

22. CONTINGENCY

There is a legal proceeding in the Ontario Superior Court of Justice involving a statement of claim (the "Claim") made by Green NH3 Inc. ("Green NH3") against Ontario Tech University and Ibrahim Dincer (collectively, the "Defendants"). The Claim alleges that Green NH3 is the owner of certain intellectual property and rights (collectively, the "Intellectual Property Rights"). The Intellectual Property Rights were previously assigned to the Company pursuant to an intellectual property purchase agreement (the "Purchase Agreement") entered into with Ibrahim Dincer and his team effective March 26, 2021. The Company is not named as a party to the Claim and does not consider the claim to be of merit. The Company understands that the Defendants intend to defend the Claim, and the Claim has not had any impact on the business operations or planned activities of the Company. Through the Purchase Agreement, the Company has obtained contractual representations regarding ownership of the Intellectual Property Rights. As a result, if the Claim were successful, management is not of the view that the ability of the Company to exploit the Intellectual Property Rights would be impacted.

The Company has made no provisions on the above legal claim in the consolidated financial statements for the three and nine months ended June 30, 2024.