



## CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

### **Condensed Interim Financial Statements**

September 30, 2022

(Unaudited)

**Notice to reader**

In accordance with National Instrument 51-102 Continuous Disclosure Obligations, part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, CVW CleanTech Inc. (previously Titanium Corporation Inc.) discloses that the Company's independent auditor has not reviewed the unaudited condensed interim financial statements for the three and nine months ended September 30, 2022.

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Condensed Interim Statements of Financial Position

As at September 30, 2022 and December 31, 2021

(expressed in Canadian dollars)

(unaudited)

	September 30, 2022 \$	December 31, 2021 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,903,035	407,782
Prepaid expenses and other assets	45,996	26,045
Accounts receivable (Note 3)	77,297	183,007
<b>Total assets</b>	<b>6,026,328</b>	<b>616,834</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	455,060	346,943
Deferred compensation (Note 5)	-	1,151,576
<b>Total liabilities</b>	<b>455,060</b>	<b>1,498,519</b>
<b>Shareholders' equity</b>		
Share capital (Note 4)	82,592,061	75,641,635
Contributed surplus	21,931,444	19,247,886
Deficit	(98,952,237)	(95,771,206)
<b>Total shareholders' equity (deficit)</b>	<b>5,571,268</b>	<b>(881,685)</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,026,328</b>	<b>616,834</b>

Approved by the Board of Directors

(signed) "Darren Morcombe", Director

(signed) "Jennifer Kaufield", Director

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Condensed Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2022 and 2021

(expressed in Canadian dollars)

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Expenses and losses</b>				
General and administrative (Note 8)	365,793	367,994	2,556,510	1,409,252
Research and development (Note 8)	180,406	(249,173)	667,466	343,589
Operating loss	546,199	118,791	3,223,976	1,752,841
Interest and other income	(29,191)	(1,526)	(42,945)	(5,045)
<b>Net loss and comprehensive loss</b>	<b>517,008</b>	<b>117,265</b>	<b>3,181,031</b>	<b>1,747,796</b>
<b>Basic and diluted loss per share (Note 6)</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.03</b>	<b>\$0.02</b>

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)

For the nine months ended September 30, 2022 and 2021

(expressed in Canadian dollars)

(unaudited)

	Share capital	Contributed surplus	Deficit	Shareholders' equity (deficit)
	\$	\$	\$	\$
<b>Balance – January 1, 2022</b>	75,641,635	19,247,886	(95,771,206)	(881,685)
Loss for the period	-	-	(3,181,031)	(3,181,031)
Private placement – equity units	4,945,890	-	-	4,945,890
Proceeds allocated to warrants	(3,783,154)	3,783,154	-	-
Stock based compensation expense	-	1,534,040	-	1,534,040
Stock options exercised	4,266,186	(1,715,586)	-	2,550,600
Conversion of warrants	1,512,438	(444,838)	-	1,067,601
Expiry of warrants	504,648	(504,648)	-	-
Conversions of DSU and RSU	265,946	(265,946)	-	-
Equity issuance costs	(761,529)	297,322	-	(464,207)
<b>Balance – September 30, 2022</b>	<b>82,592,061</b>	<b>21,931,444</b>	<b>(98,952,237)</b>	<b>5,571,268</b>

	Share capital	Contributed surplus	Deficit	Shareholders' equity (deficit)
	\$	\$	\$	\$
<b>Balance – January 1, 2021</b>	75,686,611	19,147,030	(93,499,329)	1,334,312
Loss for the period	-	-	(1,747,796)	(1,747,796)
Equity-based compensation	-	89,172	-	89,172
<b>Balance – September 30, 2021</b>	<b>75,686,611</b>	<b>19,236,202</b>	<b>(95,247,125)</b>	<b>(324,312)</b>
Loss for the period	-	-	(524,081)	(524,081)
Stock-based compensation	-	11,684	-	11,684
Share issuance cost	(44,976)	-	-	(44,976)
<b>Balance – December 31, 2021</b>	<b>75,641,635</b>	<b>19,247,886</b>	<b>(95,771,206)</b>	<b>(881,685)</b>

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Condensed Interim Statements of Cash Flow

For the three and nine month periods ended September 30, 2022 and 2021

(expressed in Canadian dollars)

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Operating activities</b>				
Net loss for the period	(517,008)	(117,265)	(3,181,031)	(1,747,796)
Items not affecting cash:				
Amortization	-	4,545	-	5,444
Stock based compensation	75,474	12,201	1,534,100	89,173
	75,474	16,746	1,534,100	94,617
Net change in non-cash working capital items				
Prepaid expenses and other assets	15,819	19,336	(19,951)	431
Accounts receivable	44,643	(24,813)	105,710	(39,061)
Accounts payable and accrued liabilities	78,578	(526,113)	108,117	(252,669)
Deferred compensation	-	63,250	(1,151,576)	290,375
	139,040	468,340	(957,700)	(924)
Cash used in operating activities	(302,494)	(568,859)	(2,604,631)	(1,654,103)
<b>Financing activities</b>				
Private placement – equity units	-	-	4,945,890	-
Stock options exercised	1,356,000	-	2,550,600	-
Conversion of warrants	-	-	1,067,601	-
Issuance costs	(41,582)	-	(464,207)	-
Cash generated by financing activities	1,314,418	-	8,099,884	-
Increase (decrease) in cash and cash equivalents	1,011,925	(568,859)	5,495,253	(1,654,103)
Cash and cash equivalents, beginning of period	4,891,110	1,570,650	407,782	2,655,894
<b>Cash and cash equivalents, end of period</b>	<b>5,903,035</b>	<b>1,001,791</b>	<b>5,903,035</b>	<b>1,001,791</b>

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

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### 1. Reporting entity and nature of operations

CVW CleanTech is a clean technology innovator that has developed a suite of technologies to serve the mining sector of the oil sands industry. Creating Value from Waste™ (“CVW™”) technologies allow oil sands operators to extract valuable products from oil sands waste and resulting in reduced greenhouse gas emissions. Recovering additional bitumen and solvents from the existing froth tailings stream provides incremental revenue, helping increase profitability. The Company expects recovery of valuable products from waste streams will also result in important and timely environmental and economic benefits for the oil sands industry.

On March 21, 2022, Titanium Corporation Inc. amended its articles and changed its name to CVW CleanTech Inc. The Company does not have any subsidiaries.

The Company’s principal business office is located at 800, 736 8th Avenue SW, Calgary, Alberta, T2P 1H4, while the registered office is located at Suite 2400, 525 8th Avenue, SW, Calgary, Alberta, T2P 1G1. The Company’s common shares are listed on the TSX Venture Exchange under the ticker symbol “CVW”.

### 2. Basis of presentation

These unaudited interim condensed financial statements present CVW CleanTech’s financial results and financial position under International Financial Reporting Standards (“IFRS”) as at and for the three and nine month periods ended September 30, 2022, including the 2021 comparative periods (the “financial statements”). The financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

These financial statements have been prepared following the same IFRS accounting policies and methods of computation as disclosed in the annual audited financial statements for the year ended December 31, 2021. Certain information and disclosures normally required to be included in the notes to the annual audited financial statements have been condensed, omitted or have been disclosed on an annual basis only. Accordingly, these financial statements should be read in conjunction with the annual audited financial statements and the notes thereto for the year ended December 31, 2021. The Company’s financial statements are prepared on a historical cost basis, except for certain equity instruments and financial assets, which have been measured at fair value. The Company’s financial statements are expressed in Canadian dollars, unless otherwise stated.

These financial statements were authorized for issue by the Company's Board of Directors on November 22, 2022.

### 3. Government assistance

Accounts receivable include \$73,347 of holdbacks from NRCan Clean Growth program grants, (December 31, 2021 - \$73,347). These holdbacks have been recognized as all funding has been received under this contract, the project completion date is approaching, the Company believes it has met the conditions in the respective funding agreement and there is reasonable assurance the funds will be received.

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

### 4. Share capital

There are an unlimited number of common shares without par value authorized for issuance. The movement in share capital balances is noted below:

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	Common shares	Amount \$	Common shares	Amount \$
Balance, beginning of period	88,480,791	75,641,635	88,480,791	75,686,611
Equity units issued	25,000,000	4,945,890	-	-
Allocation to investor warrants	-	(3,783,154)	-	-
Options exercised	4,023,334	4,266,186	-	-
Conversion of warrants	1,646,500	1,512,438	-	-
Expiry of warrants	-	504,648	-	-
Conversion of RSU/DSU's	324,669	265,946	-	-
Equity issue costs	-	(761,529)	-	(44,976)
<b>Balance, end of period</b>	<b>119,475,294</b>	<b>82,592,061</b>	<b>88,480,791</b>	<b>75,641,635</b>

On January 12, 2022, CVW CleanTech completed a private placement of equity units. Each unit consisted of one half warrant and one common share. A value of \$3,783,154 was attributed to the 12,500,000 warrants ("2022 investor warrants") as described further in the 'Warrants' section of this note. Legal, regulatory and financing costs were incurred totaling \$698,589 relating to this transaction, which are included as equity issue costs in the table above.

### *Warrants*

The movement in balance of warrants is noted below:

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	Warrants	Amount \$	Warrants	Amount \$
Balance, beginning of period	3,044,742	610,330	3,044,742	610,330
Investor warrants issued	12,500,000	3,783,154	-	-
Broker warrants issued	1,500,000	297,323	-	-
Conversion of warrants	(1,646,500)	(444,838)	-	-
Expiry of warrants	(2,523,242)	(504,648)	-	-
<b>Balance, end of period</b>	<b>12,875,000</b>	<b>3,741,321</b>	<b>3,044,742</b>	<b>610,330</b>

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

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### 4. Share capital (continued from previous page)

In connection with the January 12, 2022 private placement, the Company issued 12,500,000 warrants, with an exercise price of \$0.30 per share. These warrants have a term to expiry of four years. In conjunction with this private placement, warrants were issued to brokers for their assistance ('broker warrants'). The fair value attributed to these warrants, which are included as part of equity issue costs, was \$297,323.

In May 2019, the Company issued 3,044,742 warrants ("2019 investor warrants") exercisable at \$1.40 per common share. The term for these instruments expired in May 2022. During the life of these warrants, 521,500 were converted to common shares, and 2,523,242 expired without conversion.

The fair values attributed to the warrants issued were determined using the Black Scholes option pricing model, with the following inputs:

	<u>2022</u> <u>Investor warrants</u>	<u>Broker</u> <u>warrants</u>	<u>2019</u> <u>Investor warrants</u>
Risk free interest rate	1.36%	1.01%	1.57%
Term to expiry	4 years	1 year	3 years
Expected life	4.0	1.0	3.0
Expected volatility	100%	100%	75%
Fair value per warrant	<u>\$0.30</u>	<u>\$0.19</u>	<u>\$0.20</u>

### 5. Equity-based compensation

The Company has equity plans for its directors, officers, employees and consultants to encourage ownership of common shares and align with the longer-term interest of Company shareholders. The equity plans are designed to advance the Company's interests by providing additional incentives for plan participants and to retain and attract valued directors, officers, employees and consultants. The Company grants equity-based awards at the discretion of the Board of Directors.

The associated stock based compensation expense is recognized as a component of general and administrative or research and development expenses. The Company adopted "rolling" equity-based plans that include stock options, DSUs and RSUs. The number of common shares issuable under all such plans at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate. The plans are subject to annual approval by the Company's shareholders.

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

### 5. Equity-based compensation (continued from previous page)

A summary of the equity plans is as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Equity Award Pool (10% of common shares outstanding)	11,947,529	8,848,079
Less Awards Outstanding:		
Stock Options	(8,335,000)	(3,205,000)
DSUs	(1,486,614)	(1,769,616)
RSUs	(1,597,853)	(1,639,520)
Available Pool	<u>528,062</u>	<u>2,233,943</u>

The available pool at September 30, 2022 would permit a combination of stock options, DSU's or RSU's to be granted, up to a combined maximum total of 528,062 additional instruments. The available pool at December 31, 2021 would permit 2,233,943 stock options to be granted, but no additional RSU's and no DSU's.

#### *Deferred compensation*

Commencing in 2019, the Company no longer had additional room in its equity incentive plans to issue new instruments to directors and management of the Company. As a result, amounts for directors' fees and variable compensation (management) were accrued as a liability and recorded on the balance sheet as "deferred compensation liability". Prior to 2019, these amounts would have been settled with issuance of RSU's or DSU's, as appropriate for the individual involved. The amount of \$1,151,576 owing at December 31, 2021 was repaid in cash concurrent with the completion of the January 2022 private placement.

### Stock options

The movement in balance of stock options is noted below:

	<u>Nine months ended September 30, 2022</u>		<u>Year ended December 31, 2021</u>	
	<u>Stock options</u>	<u>Weighted average price \$</u>	<u>Stock options</u>	<u>Weighted average price \$</u>
Balance, beginning of year	3,205,000	\$0.89	4,755,000	\$0.73
Granted	9,500,000	\$0.91	-	-
Exercised	(4,023,334)	\$0.63	-	-
Cancelled	(146,666)	\$0.87	-	-
Expired	(200,000)	\$1.37	(1,550,000)	\$0.41
<b>Balance, end of period</b>	<u>8,335,000</u>	<u>\$1.02</u>	<u>3,205,000</u>	<u>\$0.89</u>

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

### 5. Equity-based compensation (continued from previous page)

During September 2022, the Company appointed a new Chief Executive Officer. A component of the compensation plan included the grant of 5 million stock option, with a number of market based and non-market based performance vesting conditions. Vesting would occur if the underlying share price trades at or above \$3.60 for a period of 90 consecutive days, after a minimum 18 months from the grant date. The options may also vest when certain non-market performance based conditions are achieved between 18 months and the 5 year life of the option.

On January 18, 2022, 4,500,000 options were granted to directors and officers of the Company with an exercise price of \$0.46. To vest, these options had several non-market performance based conditions or market price based conditions to vest. The market price condition, for the underlying share price to trade at or above \$1.25 for 90 consecutive days, was achieved in June 2022. As a result, the remaining unamortized stock based compensation expense was recognized in full. Previously, the stock based compensation expense was to be amortized over a 30-month period.

The fair value of these options was calculated using Monte Carlo simulations. For the quarter ended September 30, 2022, stock-based compensation expense of \$75,101 has been recorded in relation to the September 2022 option grants.

The inputs to the fair value modelling were:

Option grant date	January 18, 2022	September 14, 2022	September 20, 2022
Risk free interest rate	1.36%	3.39%	3.39%
Term to expiry	5 years	5 years	5 years
Expected life	5.0	5.0	5.0
Expected volatility	100%	100%	100%
Number of options	4,500,000	2,400,000	2,600,000
Fair value per option	\$0.32	\$0.88	\$0.94

The following table summarizes the options outstanding at September 30, 2022:

Range of exercise price	Number of stock options	Weighted average remaining contractual life years	Weighted average exercise price \$	Number of options exercisable	Weighted average remaining contractual life years	Weighted average exercise price \$
\$0.00 - \$0.99	3,235,000	3.01	\$0.58	3,235,000	3.01	\$0.58
\$1.00 to \$1.50	5,100,000	4.87	\$1.31	100,000	0.32	\$1.12
Total	8,335,000	4.15	\$1.02	3,335,000	2.93	\$0.59

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

### 5. Equity-based compensation (continued from previous page)

#### Deferred share units

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	DSU's	Weighted average grant price \$	DSU's	Weighted average grant price \$
Balance, beginning of year	1,769,616	\$0.75	1,769,616	\$0.75
Converted	(283,002)	\$0.82	-	-
Balance, end of period	1,486,614	\$0.74	1,769,616	\$0.75

#### Restricted share units

	Nine months ended September 30, 2022		Year ended December 31, 2021	
	RSU's	Weighted average grant price \$	RSU's	Weighted average grant price \$
Balance, beginning of year	1,639,520	\$0.75	1,639,520	\$0.75
Converted	(41,667)	\$1.20	-	-
Balance, end of period	1,597,853	\$0.71	1,639,520	\$0.75

### 6. Basic and diluted loss per share

	Three months ended September 30		Nine months ended September 30	
	2022 \$	2021 \$	2022 \$	2021 \$
Net loss	517,008	117,265	3,181,031	1,747,796
Weighted average common shares outstanding	117,258,349	88,480,791	114,415,436	88,480,791
Basic and diluted loss per share	\$0.01	\$0.01	\$0.03	\$0.02

The effect of outstanding stock options, DSU's and RSU's has not been included in the calculation of diluted weighted average number of shares outstanding, as the effect would be anti-dilutive.

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

### 7. Segmented information

The Company has one reporting segment engaged in the commercialization of its proprietary CVW™ technology for the recovery of bitumen, solvent, heavy minerals and water from oil sands froth treatment tailings. As the operations comprise a single reporting segment, amounts disclosed in the condensed interim financial statements represent those of the single reporting unit. All of the Company's activities and assets are located in Canada.

### 8. Expenses by nature

General and administrative expenses consist of the following:

	Three months ended September 30		Nine months ended September 30	
	2022 \$	2021 \$	2022 \$	2021 \$
Amortization	-	4,545	-	5,444
Compensation and benefits	56,446	155,371	452,608	551,043
Consulting and professional fees	112,882	84,894	279,373	313,661
Deferred compensation – directors	-	88,250	-	265,375
Deferred compensation – management	-	(12,500)	-	12,500
Directors' fees	82,172	-	222,640	-
Investor relations and regulatory	6,226	7,969	99,555	99,886
Rent, insurance and office	28,947	31,212	98,267	104,467
Stock based compensation – directors	373	3,583	1,285,568	24,857
Stock based compensation – management	75,101	4,640	112,738	31,818
Travel	3,646	-	5,388	201
<b>General and administrative expenses</b>	<b>365,793</b>	<b>367,964</b>	<b>2,556,510</b>	<b>1,409,252</b>

Research and development expenses consist of the following:

	Three months ended September 30		Nine months ended September 30	
	2022 \$	2021 \$	2022 \$	2021 \$
Compensation and benefits	126,883	130,802	419,677	480,417
Deferred compensation	-	(12,500)	-	12,500
Projects, rent and other	53,523	77,446	112,369	1,664,119
Stock based compensation	-	3,977	135,420	32,498
Government funding and cost recoveries	-	(448,898)	-	(1,845,945)
<b>Research and development expenses, net</b>	<b>180,406</b>	<b>(249,173)</b>	<b>667,466</b>	<b>343,589</b>

# CVW CleanTech Inc.

(Previously Titanium Corporation Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

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### 9. Financial instruments and financial risk factors

The Company has, for accounting purposes, designated its cash and cash equivalents and accounts receivable as loans and receivables, measured at amortized cost. Accounts payable and accrued liabilities, along with the deferred compensation liability, are classified for accounting purposes as other financial liabilities.

As of September 30, 2022 and December 31, 2021, the Company estimates that both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the short-term nature of the assets and liabilities.

#### a. Financial risk

The Company's activities expose it to a variety of financial, credit, liquidity and market risks, including interest rate and foreign exchange rate risks.

Financial risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board of Directors. The Board of Directors also provides guidance for enterprise risk management.

#### b. Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, recovery of project costs and related holdbacks and receivables. Cash and cash equivalents are held with Canadian banks which are reviewed by management. Management believes that the credit risk concentration with respect to cash deposits with banks is minimal. The recovery of project costs is dependent on the Company meeting milestone obligations under contribution agreements. Management believes that credit risk associated with funding commitments from provincial and federal government funding agencies is low due to project governance, credit quality of participants, reporting requirements to achieve milestones and the fact that all previous contributions were collected in full.

#### c. Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash and cash equivalents to meet liabilities when due by monitoring actual and projected cash flows. The Board of Directors reviews and approves the operating plan as well as any material transactions outside the ordinary course of business. This oversight process is also supplemented by a regular and detailed cash forecasting process. The Company is dependent on raising funds through the issuance of shares, loan facilities, government grants and/or attracting partners to undertake further development and commercialization of its technology. As at September 30, 2022, the Company had an aggregate cash balance of \$5,903,035 (June 30, 2022 - \$4,891,112; December 31, 2021 - \$407,782) to settle current liabilities of \$455,060 (June 30, 2022 - \$376,484; December 31, 2021 - \$1,498,576). Most of the Company's financial liabilities have contractual terms of 30 days or less.



# CVW CleanTech Inc.

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## Notes to the Condensed Interim Financial Statements

For the three and nine month periods ended September 30, 2022 and 2021

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### 10. Related party transactions (continued from previous page)

One member of the Board of Directors is a partner in a law firm which provides legal services to CVW CleanTech. Legal fees charged by this law firm for the nine months to September 30, 2022 were \$256,369 (three months ended September 30, 2022 - \$34,244). Of this amount, \$132,025 is captured on the balance sheet, within share issue costs, and the remainder is included within consulting and professional fees for the nine months ended September 30, 2022. (three months ended September 30, 2022 - \$34,244, all within consulting and professional fees.)

There are no comparative amounts for 2021, as this individual was not a director of the Company until January 2022.

### 11. Commitment

The Company has commitments to pay \$100,000 to each of two Corporate Officers on December 31, 2022 and December 31, 2023, to the extent they are still employed by the Company at those dates. No provision has been recorded in relation to these amounts at September 30, 2022.

### 12. Capital management

The Company considers its shareholders' equity as its capital. At September 30, 2022, the Company's shareholders' equity was \$5,571,268 (June 30, 2022 - \$4,698,383; December 31, 2021 – deficit - \$881,685). The Company does not have any bank debt or externally imposed capital requirements. The Company's capital management objectives are to manage its cash and cash equivalents prudently; to minimize the expenditures on general and administrative costs to ensure funds are available to continue to advance the commercialization of CVW™ projects, and to access available government funding for research, development and commercialization. Management reviews its capital management approach on an ongoing basis and believes that its current approach, given the relative size and stage of the Company, is appropriate.

### 13. Subsequent events

- a. On October 7, 2022, the Company completed a private placement, consisting of 1,166,664 units for gross cash proceeds of \$1.4 million. Each unit consists of one share purchase warrant and one common share. The share purchase warrant may be exercised at a price of \$1.80 until October 2026. The Company's CEO participated in the offering, at the same terms as other arm's length parties.
- b. During October 2022, 656,605 RSU's were converted to common shares.