



CVW Sustainable Royalties Inc.  
(Previously CVW CleanTech Inc.)

Condensed Interim Financial Statements  
For the three and nine months ended September 30, 2025 and 2024

(Unaudited)

Note 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 Sustainable Royalties Inc. (previously CVW CleanTech Inc.) discloses that the Company's independent auditor has not reviewed these condensed interim financial statements for the three and nine months ended September 30, 2025 and 2024.

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Condensed Interim Statements of Financial Position

Unaudited, expressed in Canadian dollars

	Notes	As at September 30, 2025 \$	As at December 31, 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,137,723	5,200,244
Prepaid expenses and other assets		59,637	94,689
Trade and other receivables	4	10,948	63,656
Total current assets		<u>3,208,308</u>	<u>5,358,589</u>
<b>Long-term assets</b>			
Property, plant and equipment	5	11,594	14,899
Royalty debenture	6	15,512,175	14,420,000
Total long-term assets		<u>15,523,769</u>	<u>14,434,899</u>
<b>Total assets</b>		<u>18,732,077</u>	<u>19,793,488</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		463,990	398,802
Current portion of lease liabilities	7	1,811	1,951
Total current liabilities		<u>465,801</u>	<u>400,753</u>
<b>Non-current liabilities</b>			
Lease liabilities	7	1,064	2,381
<b>Total liabilities</b>		<u>466,865</u>	<u>403,134</u>
<b>Equity</b>			
Share capital	8	103,454,498	102,777,195
Contributed surplus		25,620,284	24,328,901
Deficit		(110,809,570)	(107,715,742)
<b>Total equity</b>		<u>18,265,212</u>	<u>19,390,354</u>
<b>Total liabilities and equity</b>		<u>18,732,077</u>	<u>19,793,488</u>
<b>Commitments</b>	14		

Approved by the Board of Directors

(signed) "Darren Morcombe", Director

(signed) "Jennifer Kaufield", Director

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited, expressed in Canadian dollars

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Change in fair value of royalty debenture	6	371,175	85,417	1,092,175	85,417
<b>Expenses</b>					
Compensation and benefits		376,387	317,829	1,118,121	1,008,224
Professional fees		156,208	149,645	394,757	389,984
Consulting fees		66,243	159,160	231,794	355,953
Transfer agent and regulatory fees		62,039	33,188	178,458	111,360
Office and administration		58,720	44,998	165,111	135,126
Director fees		53,379	66,955	183,334	144,528
Investor communication and marketing		49,830	40,670	240,314	152,787
Engineering and analysis		24,861	-	58,206	33,663
Stock-based compensation	9	570,285	(99,136)	1,762,334	806,590
Amortization	5	2,402	2,050	6,728	5,846
Total expenses		1,420,354	715,359	4,339,157	3,144,061
<b>Operating loss</b>		1,049,179	629,942	3,246,982	3,058,644
Interest and other expenses	16	834	873	1,963	3,577
Interest and other income	17	(22,751)	(46,395)	(155,117)	(296,658)
<b>Net loss and comprehensive loss</b>		1,027,262	584,420	3,093,828	2,765,563
<b>Basic and diluted loss per share</b>	10	(0.01)	(0.01)	(0.02)	(0.02)

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Condensed Interim Statements of Changes in Equity

Unaudited, expressed in Canadian dollars

	Share capital \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance – January 1, 2024	86,079,458	23,409,252	(103,877,148)	5,611,562
Loss for the period ended September 30, 2024	-	-	(2,765,563)	(2,765,563)
Private placement	16,749,561	-	-	16,749,561
Stock-based compensation expense	-	806,590	-	806,590
Stock options exercised	588,197	(237,797)	-	350,400
Equity issuance costs	(721,301)	-	-	(721,301)
RSUs settled in cash	-	(42,429)	-	(42,429)
Reclassification upon settlement of RSUs	-	(14,444)	14,444	-
Balance – September 30, 2024	<u>102,695,915</u>	<u>23,921,172</u>	<u>(106,628,267)</u>	<u>19,988,820</u>

	Share capital \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance – January 1, 2025	102,777,195	24,328,901	(107,715,742)	19,390,354
Loss for the period ended September 30, 2025	-	-	(3,093,828)	(3,093,828)
Stock-based compensation expense	-	1,762,334	-	1,762,334
Stock options exercised	95,550	(39,200)	-	56,350
Conversion of warrants	301,350	(151,348)	-	150,002
Conversion of DSUs	260,391	(260,391)	-	-
Conversion of RSUs	20,012	(20,012)	-	-
Balance – September 30, 2025	<u>103,454,498</u>	<u>25,620,284</u>	<u>(110,809,570)</u>	<u>18,265,212</u>

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Condensed Interim Statements of Cash Flows

Unaudited, expressed in Canadian dollars

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
<b>Operating activities</b>					
Net loss for the period		(1,027,262)	(584,420)	(3,093,828)	(2,765,563)
Items not affecting cash:					
Stock-based compensation	9	570,285	(99,136)	1,762,334	806,590
Amortization	5	2,402	2,050	6,728	5,846
Change in fair value of royalty debenture	6	(371,175)	(70,000)	(1,092,175)	(70,000)
Interest on lease liabilities	7	75	123	263	396
Total items not affecting cash		201,587	(166,963)	677,150	742,832
Net change in non-cash working capital items					
Prepaid expenses and other assets		39,202	37,853	35,053	(28,451)
Trade and other receivables	4	6,238	(18,513)	52,708	180,930
Accounts payable and accrued liabilities		107,557	(70,230)	65,188	(264,364)
Total net change in non-cash working capital items		152,997	(50,890)	152,949	(111,885)
Cash used in operating activities		(672,678)	(802,273)	(2,263,729)	(2,134,616)
<b>Investing activities</b>					
Purchase of property, plant and equipment	5	-	(4,904)	(3,423)	(6,599)
Purchase of royalty debenture		-	(14,000,000)	-	(14,000,000)
Cash used in investing activities		-	(14,004,904)	(3,423)	(14,006,599)
<b>Financing activities</b>					
Private placement – shares		-	16,749,561	-	16,749,561
Conversion of stock options, RSUs and DSUs	9	56,352	350,400	56,350	350,400
RSUs settled in cash		-	-	-	(42,429)
Conversion of warrants	8	-	-	150,002	-
Equity issuance costs			(721,301)		(721,301)
Payment of lease liabilities		(572)	(573)	(1,721)	(1,146)
Cash provided by financing activities		55,780	16,378,087	204,631	16,335,085
(Decrease) increase in cash and cash equivalents		(616,898)	1,570,910	(2,062,521)	193,870
Cash and cash equivalents – beginning of period		3,754,621	4,626,300	5,200,244	6,003,340
<b>Cash and cash equivalents – end of period</b>		<b>3,137,723</b>	<b>6,197,210</b>	<b>3,137,723</b>	<b>6,197,210</b>

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

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Unaudited, expressed in Canadian dollars

### 1. Reporting entity and nature of operations

CVW Sustainable Royalties Inc. ("CVW Royalties" or the "Company") is a royalty platform seeking to build a portfolio of cash flow streams utilizing royalty and royalty-like structures on assets and technologies engaged in the sustainable production of commodities and commodity-like products. The Company expects to achieve this by partnering with companies that have developed specific technologies or are engaged in developing and operating assets. The Company also expects to receive long-term cash flows from its internally developed suite of technologies called Creating Value from Waste™ ("CVW™") that recover bitumen, solvents, critical minerals, and water from oil sands froth treatment tailings while significantly reducing their emissions and enhancing tailings management. The Company does not have any subsidiaries. In July 2025, CVW CleanTech Inc. amended its articles of incorporation and changed its name to CVW Sustainable Royalties Inc.

The Company's principal business office is located at suite 305, 505 8<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 1G2, while the registered office is located at suite 1601, 110 Yonge Street, Toronto, Ontario M5C 1T4. The Company's common shares are listed on the TSX Venture Exchange under the ticker symbol "CVW". The Company's shares are also quoted on the OTCQX under the symbol "CVWFF", and on the Frankfurt Stock Exchange under the symbol "TMD".

### 2. Basis of presentation

The unaudited condensed interim financial statements present CVW Royalties' financial results and financial position under International Financial Reporting Standards ("IFRS Accounting Standards") as at and for the three and nine months ended September 30, 2025, including the 2024 comparative period. The condensed interim 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 condensed interim 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, 2024. Certain information and disclosure 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 condensed interim financial statements should be read in conjunction with the annual audited financial statements, and the notes thereto, for the year ended December 31, 2024.

These condensed interim financial statements were authorized for issue by the Company's Board of Directors on November 18, 2025.

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

### 3. Material accounting policies

#### *a. Measurement basis*

These condensed interim financial statements have been prepared on a historical cost basis, except for certain equity and financial instruments, which have been measured at fair value.

#### *b. Critical accounting estimates and judgements*

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. These estimates and judgements are re-evaluated regularly, based upon historical experience and other factors, including

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expectations of future events, as believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the actual results. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those described in the December 31, 2024 annual audited financial statements.

### 4. Trade and other receivables

	September 30, 2025	December 31, 2024
	\$	\$
GST receivable	10,948	63,656

### 5. Property, plant and equipment

	Company Owned Assets		Right-of-Use Assets	
	Computer Hardware/ Software \$	Office Equipment \$	Office Premises \$	Total \$
Cost – January 1, 2024	9,844	5,356	5,835	21,035
Additions	6,080	2,019	-	8,099
Cost – December 31, 2024	15,924	7,375	5,835	29,134
Additions	1,584	1,839	-	3,423
Cost – September 30, 2025	17,508	9,214	5,835	32,557
Accumulated amortization – January 1, 2024	4,429	207	292	4,928
Amortization	6,107	1,449	1,751	9,307
Accumulated amortization – December 31, 2024	10,536	1,656	2,043	14,235
Amortization	3,771	1,645	1,312	6,728
Accumulated amortization – September 30, 2025	14,307	3,301	3,355	20,963
Net book value – December 31, 2024	5,388	5,719	3,792	14,899
Net book value – September 30, 2025	3,201	5,913	2,480	11,594

### 6. Royalty debenture

On August 7, 2024 the Company announced that it had entered into a royalty transaction with Northstar Clean Technologies Inc. ("Northstar"). Upon announcement of the transaction, the Company purchased a \$1,500,000 initial debenture carrying a 10% coupon payable semi-annually with a 5-year term. The transaction closed on September 13, 2024, at which time the Company purchased a five-year \$14,000,000 royalty debenture, which replaced the initial debenture that was previously purchased.

The royalty debenture has a 10% coupon rate, payable semi-annually, and is convertible into a revenue royalty on Northstar's next two facilities beyond the Calgary facility. Northstar may, at its sole discretion, capitalize the coupon payable on the royalty debenture for the first three years of its term. Upon conversion of the royalty debenture, and pursuant to the achievement of certain production and financial milestones, the Company is entitled to receive recurring royalty payments based on revenues at two of Northstar's commercial facilities. In the event that certain production and financial milestones are not

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Notes to the Condensed Interim Financial Statements

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met, the Company may elect to convert the debenture into a royalty interest on Northstar's Calgary facility. The table below summarizes the changes in fair value of the royalty debenture.

	September 30, 2025	December 31, 2024
	\$	\$
Balance, beginning of period	14,420,000	-
Purchased during the period	-	14,000,000
Change in fair value of royalty debenture	1,092,175	435,417
Cash received during the period	-	(15,417)
Balance, end of period	15,512,175	14,420,000

The fair value of the royalty debenture is estimated using a discounted cash flow model taking into consideration the following observable and non-observable inputs:

- Management's estimate of tonnage of feedstock processed;
- Future commodity prices;
- Discount rate;
- Timing of the exercise of the royalty conversion feature, and
- Accretion due to the passage of time.

Significant assumptions used within the discounted cash flow model are discussed further in Note 13.

During 2024, the Company earned coupon interest of \$435,417 of which \$15,417 was collected upon cancellation of the initial debenture. The Company earned coupon interest of \$1,092,175 during the nine months ended September 30, 2025. In March 2025, Northstar provided notice of its decision to capitalize the coupon on the royalty debenture for the period from September 13, 2024, to March 12, 2025. As a result, the accrued coupon amounting to \$700,000 was added to the principal balance of the royalty debenture for a total principal balance of \$14,700,000. In September 2025, Northstar provided notice of its decision to capitalize the coupon on the royalty debenture for the period from March 13, 2025 to September 12, 2025. As a result, the accrued coupon amounting to \$735,000 was added to the principal balance of the royalty debenture for a total principal balance of \$15,435,000.

50.0% of the principal balance will automatically convert into a revenue royalty on Northstar's second commercial facility and the remaining balance will automatically convert into a revenue royalty on Northstar's third commercial facility (upon each facility reaching certain thresholds). The principal balance (including any accrued and unpaid interest) will convert into a revenue royalty at a conversion ratio of 1.7143% royalty interest for each \$1,000,000 of principal converted. Accordingly, using the conversion ratio of 1.7143% per \$1,000,000 of principal, this has increased the Company's royalty rate from 12.0% to 13.2% per facility as at the date of these condensed interim financial statements.

# CVW Sustainable Royalties Inc.

(Previously CVW CleanTech Inc.)

## Notes to the Condensed Interim Financial Statements

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Unaudited, expressed in Canadian dollars

### 7. Lease liabilities

The Company currently has a leased office space in Calgary.

	September 30, 2025	December 31, 2024
	\$	\$
Payments due no later than one year	2,293	2,293
Payments due later than one year and no later than three years	764	2,483
Total minimum lease payments	3,057	4,776
Less: interest portion at an interest rate of 10%	182	444
Total lease liabilities	2,875	4,332
Less: current portion	1,811	1,951
Long-term portion	1,064	2,381

### 8. Share capital

	September 30, 2025		December 31, 2024	
	Common shares	Amount \$	Common shares	Amount \$
Balance, beginning of period	144,874,691	102,777,195	125,591,635	86,079,458
Private placement – shares	-	-	18,610,623	16,749,561
Stock options exercised	122,500	95,550	592,433	694,390
Conversion of warrants	500,000	301,350	-	-
Conversion of DSU's	337,778	260,391	-	-
Conversion of RSUs	18,027	20,012	80,000	95,088
Equity issue costs	-	-	-	(841,302)
Balance, end of period	145,852,996	103,454,498	144,874,691	102,777,195

On September 6, 2024, CVW Royalties completed a private placement of common shares ("September 2024 Offering"). Pursuant to the September 2024 Offering, which consisted of a brokered and non-brokered portion, the Company issued a total of 18,610,623 common shares at an issue price of \$0.90 per common share for total gross proceeds of \$16,749,561. Legal, regulatory, and financing costs relating to this transaction totaled \$841,302, which are included as equity issue costs in the table above.

#### Warrants

	September 30, 2025		December 31, 2024	
	Number of Warrants	Amount \$	Number of Warrants	Amount \$
Balance, beginning of period	11,824,164	4,657,925	11,824,164	4,657,925
Conversion of warrants	(500,000)	(151,348)	-	-
Balance, end of period	11,324,164	4,506,577	11,824,164	4,657,925

During the nine month period ended September 30, 2025, 500,000 warrants were exercised for proceeds of \$151,000 (twelve months ended December 31, 2024 – nil).

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## Notes to the Condensed Interim Financial Statements

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### 9. Equity-based compensation

The Company uses its equity incentive plan ("EIP") to encourage ownership of common shares and to align the interest of its directors, officers, employees, and consultants with the longer-term interest of Company shareholders. The EIP is 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 EIP is a "rolling" equity plan that includes stock options, DSUs and RSUs. The number of common shares issuable under the EIP at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate. The EIP was implemented on September 12, 2023 and is subject to annual approval by the Company's shareholders. All prior awards were continued under the EIP.

The total common shares issuable under the Company's EIP is calculated as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Equity award pool (10% of common shares outstanding)	14,585,300	14,487,469
Less awards outstanding:		
Stock options	(10,590,081)	(7,956,099)
DSUs	(32,961)	(370,739)
RSUs	(2,084,399)	(1,636,080)
Available pool	<u>1,877,859</u>	<u>4,524,551</u>

At September 30, 2025, an additional 1,877,859 equity instruments (December 31, 2024 - 4,524,551) could be granted in the form of either stock options, DSUs and/or RSUs.

#### *Stock options*

	September 30, 2025		December 31, 2024	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
Balance, beginning of period	7,956,099	1.06	8,032,500	1.07
Granted	2,756,482	0.69	1,399,692	0.78
Exercised	(122,500)	0.46	(592,433)	0.70
Cancelled / Forfeited	-	-	(850,000)	0.93
Expired	-	-	(33,660)	0.80
Balance, end of period	<u>10,590,081</u>	<u>0.97</u>	<u>7,956,099</u>	<u>1.06</u>

On February 5, 2024, 1,099,692 stock options were granted to Company employees, with an exercise price of \$0.80 and a term of five years to expiry. These stock options vest in two tranches. 725,796 options ("February 2024 tranche 1") vest over a period of three years from the grant date. The stock-based compensation expense for the February 2024 tranche 1 stock options is being recognized over the vesting period of three years from the grant date. The remaining 373,896 stock options ("February 2024 tranche 2") will vest after attaining certain market-based conditions. During the nine month period ended September 30, 2025, upon meeting the required market-based conditions, 167,212 stock options were vested. The stock-based compensation expense relating to the unvested February 2024 tranche 2 options grant is being recognized over 22 months from the grant date, based on management's estimate of the dates that the market-based conditions will be satisfied. The departure of employees accelerated the vesting of 116,093 stock options issued in February 2024 resulting in the recognition of \$56,680 as stock-based compensation expense during the twelve-month period ended December 31, 2024. 33,660 of these options expired without being exercised.

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On March 19, 2024, 300,000 stock options were granted to an employee of the Company with an exercise price of \$0.70 and a term of five years to expiry. These stock options vest after a minimum of 18 months and after attaining certain non-market based performance or market-based conditions. The stock-based compensation expense relating to the March 2024 stock options is being recognized over 21 to 43 months from the grant date, based on management's estimate of the date that the non-market performance criteria will be satisfied.

On March 21, 2025, 1,856,482 stock options were granted to Company employees, with an exercise price of \$0.84 and a term of five years to expiry. These stock options vest in two tranches. 1,225,278 options ("March 2025 tranche 1") vest over a period of three years from the grant date. The stock-based compensation expense for the March 2025 tranche 1 stock options is being recognized over the vesting period of three years from the grant date. The remaining 631,204 stock options ("March 2025 tranche 2") will vest after attaining certain market-based conditions. During the nine month period ended September 30, 2025, upon meeting the required market-based conditions, 315,602 stock options were vested. The stock-based compensation expense relating to the vested stock options was recognized during the period. The stock-based compensation expense relating to the remaining unvested March 2025 tranche 2 stock options is being recognized over a period of 27 months from the grant date, based on management's estimate of the dates that the market-based conditions will be satisfied.

On March 21, 2025, 400,000 stock options ("March 2025 entrance options") were granted to employees of the Company with an exercise price of \$0.84 and a term of five years to expiry. These stock options vest after a minimum of 18 months and after attaining certain non-market based performance or market-based vesting conditions. The stock-based compensation expense relating to the March 2025 entrance options is being recognized over periods ranging from 24 to 30 months, based on management's estimate of the date that the market-based performance criteria will be satisfied.

On September 8, 2025, 500,000 stock options ("September 2025 options") were granted to a director of the Company with an exercise price of \$0.97 and a term of five years to expiry. These stock options vest after a minimum of 18 months and after attaining certain non-market based performance or market-based vesting conditions. The stock-based compensation expense relating to the September 2025 options is being recognized over periods ranging from 26 to 31 months, based on management's estimate of the date that the market-based performance criteria will be satisfied.

The fair values of the stock options granted during 2025 and 2024 were calculated using the following assumptions:

Option grant date	Sept. 8, 2025	March 21, 2025	March 21, 2025 tranche 1	March 21, 2025 tranche 2	March 19, 2024	February 5, 2024 tranche 1	February 5, 2024 tranche 2
Valuation method	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo
Risk free interest rate	2.77%	2.66%	2.66%	2.66%	3.57%	3.60%	3.60%
Term to expiry	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Expected life	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Expected volatility	62.4%	75%	75%	75%	87%	91%	86%
# of stock options	500,000	400,000	1,225,278	631,204	300,000	725,796	373,896
Fair value per option	\$0.52	\$0.51	\$0.43	\$0.53	\$0.39	\$0.48	\$0.50

The Monte Carlo valuation is used to determine the value of stock options when non-market performance based criteria is used for vesting. The Black-Scholes model is used to value stock options that have market-based vesting criteria.

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The following table summarizes the stock options outstanding as at September 30, 2025:

Range of exercise price	Number of stock options outstanding	Weighted average contractual life (years)	Weighted average exercise price \$	Number of stock options exercisable	Weighted average contractual life (years)	Weighted average exercise price \$
\$0.46 - \$0.69	1,250,000	1.30	0.46	1,250,000	1.30	0.46
\$0.70 - \$0.93	3,840,081	3.97	0.82	699,206	3.86	0.82
\$0.94 - \$1.35	5,500,000	2.23	1.28	-	N/A	N/A
Total	10,590,081	2.75	1.02	1,949,206	2.22	0.59

### Deferred share units

	September 30, 2025		December 31, 2024	
	Number of DSUs	Weighted average share price at time of grant \$	Number of DSUs	Weighted average share price at time of grant \$
Balance, beginning of period	370,739	0.77	370,739	0.77
Converted	(337,778)	0.77	-	-
Balance, end of period	32,961	0.74	370,739	0.77

During the nine month period ended September 30, 2025, 337,778 DSUs were converted (twelve months ended December 31, 2024 – nil). No DSUs were granted during the nine month period ended September 30, 2025, or the year ended December 31, 2024.

### Restricted share units

	September 30, 2025		December 31, 2024	
	Number of RSUs	Weighted average share price at time of grant \$	Number of RSUs	Weighted average share price at time of grant \$
Balance, beginning of period	1,636,080	0.75	741,248	0.82
Granted	466,346	0.84	1,047,747	0.73
Converted	(18,027)	1.11	(80,000)	1.19
Cancelled	-	-	(72,915)	0.73
Balance, end of period	2,084,399	0.76	1,636,080	0.75

During the nine month period ended September 30, 2025, the Company granted 466,346 RSUs (twelve months ended December 31, 2024 – 1,047,747). During the nine month period ended September 30, 2025, 18,027 RSUs were converted (twelve months ended December 31, 2024 – 80,000). During the year ended December 31, 2024, 72,915 RSUs were cancelled and settled in cash.

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### 10. Basic and diluted loss per share

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net loss	\$1,027,262	\$584,420	\$3,093,828	\$2,765,563
Weighted average number common shares outstanding	145,439,626	130,733,472	145,333,662	127,318,091
Basic and diluted loss per share	\$0.01	\$0.01	\$0.02	\$0.02

The effect of all outstanding stock options, DSUs, and RSUs has not been included in the calculation of diluted weighted average number of shares outstanding as the effect would be anti-dilutive.

### 11. Segment information

The Company considers its Board of Directors as the Chief Operating Decision Maker ("CODM"). As at September 30, 2025, the Company's CODM has identified a single reporting segment engaged in the generation of royalties through its proprietary CVW™ technology and other technologies. The amounts disclosed in the condensed interim financial statements represent those of the single reporting unit. All the Company's activities and assets are located in Canada.

### 12. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Compensation to corporate insiders and directors of the Company for the three and nine months ended September 30, 2025 and 2024 is indicated below:

#### *Corporate insiders*

	Three months ended September 30,		Nine months ended September 30,	
	2025 \$	2024 \$	2025 \$	2024 \$
Compensation and benefits	376,387	317,829	1,118,121	1,008,224
Consulting fees	-	66,025	28,092	147,885
Stock-based compensation	563,402	(99,136)	1,755,451	806,590
Total	939,789	284,718	2,901,664	1,962,699

#### *Board of Directors*

	Three months ended September 30,		Nine months ended September 30,	
	2025 \$	2024 \$	2025 \$	2024 \$
Director fees	53,379	66,955	183,334	144,528
Stock-based compensation	6,883	-	6,883	-
Total	60,262	66,955	190,217	144,528

Accounts payable and accrued liabilities as at September 30, 2025 included \$16,200 payable to corporate insiders and directors (December 31, 2024 - \$104,447)

Under the terms of a consulting agreement, a company controlled by the Company's former Chief Executive Officer provided services to the Company at an annual fee of \$115,000 per annum. The contract was completed in February 2025.

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One member of the Board of Directors is a partner in a law firm which provides legal services to the Company. Legal fees charged by this law firm during the nine months ended September 30, 2025 were \$962 (September 30, 2024 - \$15,862).

### 13. Financial instruments and financial risk factors

The Company has calculated the following fair value for its financial instrument measured at FVTPL:

Fair value measurement as at September 30, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Royalty debenture	-	-	15,512,175	15,512,175

As at September 30, 2025 and December 31, 2024, the Company estimates that both the carrying and fair value amounts of the Company's financial instruments other than the royalty debenture are approximately equivalent because of the short-term nature of the assets and liabilities.

The value of the royalty debenture is considered a level 3 measurement. The Company has established a valuation approach for determining the fair value of its level 3 asset using publicly available information, internal information, valuation assumptions, and other data points to calculate the value of the royalty debenture and record changes in the fair value at each reporting period. The fair value of royalty debenture is calculated using the following level 3 assumptions:

Type	Valuation technique	Key Inputs	Relationship Between Significant Inputs and Fair Value Measurements
Royalty debenture	The fair value of the royalty debenture has been determined using a discounted cash flow model	Key unobservable inputs (level 3) - Tonnage of feedstock acquired and processed - Future commodity prices - Risk-adjusted discount rate	The estimated fair value would increase (decrease) if: - The tonnage of feedstock processed increased (decreased) - Future commodity prices increased (decreased) - Risk-adjusted discount rate decreased (increased)

The following table summarizes the range of significant unobservable inputs used to determine the fair value of the royalty debenture:

Significant unobservable inputs	Range of significant unobservable inputs for royalty debenture
Tonnage of feedstock processed	An average of 40,000 tonnes of feedstock processed annually at each facility
Future commodity prices	Western Canadian Select (WCS) oil price ranging from \$71/bbl to \$108/bbl over the next 20 years.
Risk-adjusted discount rate	12.5% per annum

The following table presents the potential impact to the Company's net income to changes in the unobservable inputs noted above:

	Movement vs the model input	Net income and comprehensive income	
		Increase	Decrease
Tonnage of feedstock processed	Increase / decrease by 10%	826,770	1,808,294
Future commodity prices	Increase / decrease by 10%	407,713	1,362,887
Risk-adjusted discount rate	Decrease / increase by 1.25%	1,026,711	1,786,814

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During the nine months ended September 30, 2025, there were no significant changes in the assumptions used to determine the fair value of the royalty debenture as compared to December 31, 2024.

### **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, along with related holdbacks, receivables, and coupon payments on its royalty debenture. Cash and cash equivalents are held with Canadian financial institutions with credit rating in the As. Management believes that the credit risk concentration with respect to cash is minimal. The recovery of project costs and related holdbacks receivable is dependent on the Company meeting milestone obligations under contribution agreements. Management believes that the credit risk associated with funding commitments from government grant programs is low due to project governance, credit quality of participants and a strong history of collection. The Company limits credit risk with respect to its royalty investments by performing detailed due diligence on royalty counterparties and, where possible, securing the Company's rights against present and after-acquired property of the royalty counterparty.

### **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 ensures that it will have sufficient liquidity 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 material transactions outside the ordinary course of business. This oversight process is also supplemented by a continuous 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 CVW™ technology. As at September 30, 2025, the Company had an aggregate cash balance of \$3,137,723 to settle current liabilities of \$465,801 (December 31, 2024 - Cash \$5,200,244; current liabilities \$400,753). Most of the Company's financial liabilities have contractual terms of 30 days or less.

### **d. Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

#### **i. Interest rate risk**

The Company's current policy is to invest excess cash in interest bearing cash accounts, bankers' acceptances and guaranteed investment certificates issued by Canadian banks with credit ratings of Aa or higher. The Company periodically monitors its investments and the creditworthiness of the banks it holds investments in.

#### **ii. Foreign currency risk**

The Company's reporting and functional currency is the Canadian dollar, and most purchases are transacted in Canadian dollars. The Company does not hold any significant balances in foreign currencies which may cause exposure to foreign exchange risk. The Company's current revenue is payable in Canadian dollars. Any impact from

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fluctuations in foreign exchange rates would be minimal and therefore the Company does not hedge its foreign exchange risk.

### 14. Commitments

As at September 30, 2025 the Company is committed to the following future payments:

	Less than 1 year \$	1 – 2 Years \$	3 - 5 Years \$
Accounts payable and accrued liabilities	463,990	-	-
Lease liabilities	1,811	1,064	-
Total commitments	465,801	1,064	-

The Company is committed to future payments amounting to \$9,063 which are payable within one year.

### 15. Capital management

The Company considers its equity as its capital. At September 30, 2025, the Company had total equity of \$18,265,212 (December 31, 2024 – \$19,390,354). The Company does not have any bank debt or externally imposed capital requirements. As at September 30, 2025, the Company's capital management objectives are to manage its cash and cash equivalents prudently; to minimize expenditures to ensure funds are available to continue to advance the commercialization of CVW™ projects; to access available funding for commercialization of CVW™; and to support due diligence activities and the acquisition of future royalties. The Company 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.

### 16. Interest and other expenses

	Three months ended September 30,		Nine months ended September 30,	
	2025 \$	2024 \$	2025 \$	2024 \$
Bank charges	759	750	1,700	2,035
Interest on lease liabilities	75	123	263	396
Other expenses	-	-	-	1,146
Total	834	873	1,963	3,577

### 17. Interest and other income

	Three months ended September 30,		Nine months ended September 30,	
	2025 \$	2024 \$	2025 \$	2024 \$
Interest income	22,751	46,395	89,322	176,411
SR&ED rebate	-	-	64,651	120,247
Other income	-	-	1,144	-
Total	22,751	46,395	155,117	296,658