Ostrom Climate Solutions Inc.

Unaudited Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

For the three months ended March 31, 2026 and 2025

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The Company's external auditors, Davidson & Company LLP, have not performed a review of these condensed consolidated interim financial statements.

OSTROM CLIMATE SOLUTIONS INC.
Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2026
(Expressed in Canadian dollars)

	Note(s)		March 31, 2026		December, 2025
ASSETS					
Current Assets					
Cash		$	1,089,058	$	1,718,815
Accounts receivable	3		93,518		187,059
Inventory	4		298,462		194,169
Contract costs in-progress	6		226,400		173,611
Prepaid expenses and deposits	7		100,313		114,666
Total Current Assets			1,807,751		2,388,320
Property and equipment	8		9,101		10,425
Total Long-term Assets			9,101		10,425
Total Assets		$	1,816,852	$	2,398,745
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current Liabilities					
Accounts payable and accrued liabilities	9,15	$	1,315,784	$	1,163,541
Other liabilities	12		249,212		249,212
Deferred revenue	10		1,064,333		2,503,837
Convertible debentures	13,15		589,693		586,575
Promissory notes			-		50,276
Loan	15		139,546		134,978
Lease liability	11		258,974		125,182
Total Current Liabilities			3,617,542		4,813,601
Provisions	12		63,529		63,529
Convertible debentures	13,15		261,637		261,637
Lease liability	11		211,623		334,846
Total Long-term Liabilities			536,789		660,012
Total Liabilities		$	4,154,331	$	5,473,613
Shareholders' Deficiency					
Share capital	14		18,047,860		18,047,860
Reserves	14		3,339,850		3,295,657
Equity component of convertible debenture			161,299		161,299
Deficit			(23,886,488)		(24,579,684)
Total Shareholders' Deficiency		$	(2,337,479)	$	(3,074,868)
Total Liabilities and Shareholders' Deficiency		$	1,816,852	$	2,398,745

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

Approved on behalf of the Board on May 27, 2026 by:

"Navdeep Dhaliwal"	*"Christopher Morris"*
Navdeep Dhaliwal, Director	Christopher Morris, Director

OSTROM CLIMATE SOLUTIONS INC.
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
For the three months ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

Three months ended	**Note(s)**	**March 31, 2026**		**March 31, 2025**
Revenue	16	1,743,742	$	633,964
Cost of sales	17	245,491		313,269
Gross profit		1,498,251		320,695
Operating Expenses				
Amortization	8	1,324		1,801
Amortization of right-of-use asset		-		26,059
Salaries, management fees and benefits	15	314,010		372,393
Research and development	5	230,352		193,423
Selling, general, and administrative		109,729		96,928
Consulting fees	15	71,142		108,404
Professional fees		36,829		47,533
Share-based payments	14,15	44,193		81,311
Foreign exchange		(46,562)		31,622
Total Operating Expenses		761,017		959,474
		737,234		(638,779)
Finance costs	11,13	(28,313)		(27,847)
Interest expense	15	(17,423)		(51,215)
Interest income		1,698		1,484
		(44,038)		(77,578)
Net Income (loss) for the period		693,196		(716,357)
Net Income (loss) per share - basic and diluted		0.006	$	(0.006)
Weighted average number of common shares outstanding – basic and diluted		114,091,113		114,091,113

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

OSTROM CLIMATE SOLUTIONS INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
For the three months ended March 31, 2026 and 2025
(Expressed in Canadian dollars, except share amounts)

	Share Capital					
	Number	**Amount**	**Reserves**	**Equity component of debentures**	**Deficit**	**Total**
		$	$	$	$	$
Balance at December 31, 2024	114,091,113	18,047,860	3,187,261	161,299	(26,172,194)	(4,775,774)
Share-based payments	-	-	81,311	-	-	81,311
Net loss for the period	-	-	-	-	(716,357)	(716,357)
Balance at March 31, 2025	114,091,113	18,047,860	3,268,572	161,299	(26,888,551)	(5,410,820)
Balance at December 31, 2025	114,091,113	18,047,860	3,295,657	161,299	(24,579,684)	(3,074,868)
Share-based payments	-	-	44,193	-	-	44,193
Net income for the year	-	-	-	-	693,196	693,196
Balance at March 31, 2026	114,091,113	18,047,860	3,339,850	161,299	(23,886,488)	(2,337,479)

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

OSTROM CLIMATE SOLUTIONS INC.
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

Three months ended	**March 31, 2026**	**March 31, 2025**
Operating activities:		
Net income (loss) for the period	$ 693,196	$ (716,357)
Items not involving cash:		
Amortization	1,324	1,801
Amortization of right-of-use asset	-	26,059
Finance costs on convertible debentures	17,745	17,714
Finance costs on lease liability	10,569	10,133
Interest expense	4,568	51,215
Share-based payments	44,193	81,311
Changes in non-cash operating working capital (Note 19):	(1,335,581)	(386,897)
Net cash flows used in operating activities:	(563,986)	(915,021)
Net cash flows used in investing activities:	-	-
Financing activities:		
Repayment of promissory notes	(49,862)	-
Interest paid on provision	(6,125)	(5,990)
Interest paid on convertible debentures	(9,370)	(9,158)
Interest paid on promissory notes	(414)	(40,146)
Repayment of lease liability	-	(21,969)
Proceeds on issuance of promissory notes	-	635,587
Net cash flows provided by/(used in) financing activities	(65,771)	558,325
Change in cash	(629,757)	(356,695)
Cash, beginning of period	1,718,815	550,710
Cash, end of period	$ 1,089,058	$ 194,014

See Note 19 for supplemental disclosures with respect to cash flows.
The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Nature and Continuance of Operations

Ostrom Climate Solutions Inc. (the "Company") was incorporated on July 6, 2005 under the Business Corporations Act (BC).

The Company's head office, principal address, and registered and records office is located at 380 - 4111 Hastings St., Burnaby, BC V5C 2J3, Canada.

The Company's primary business is carbon offset project development and climate solutions in both the private and public sectors.

These condensed consolidated interim 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. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As of March 31, 2026, the Company has accumulated net losses of $23,886,488 since inception and has a working capital deficiency of $1,809,791. Furthermore, there is uncertainty related to the Company's ability to secure additional funding or deliver profitable operations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Realizable values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

(Expressed in Canadian dollars)

2. General Information and Basis of Preparation

a) Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board. They do not include all disclosures required for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated on consolidation.

The subsidiaries of the Company are:

Ostrom Climate Solutions (Canada) Inc. ("OCS")	British Columbia, Canada	100%	Operating
Ostrom Climate Solutions (Philippines) Inc. ("OCSP")	Philippines	100%	Operating
ERA Ecosystem Restoration Associates Inc.	British Columbia, Canada	100%	Operating
Era Ecosystem Services U.S., Inc.	Nevada, United States	100%	Operating
Naturebank Technology, Inc.	British Columbia, Canada	100%	Inactive
Carbon Credit Corp. ("CCC")	British Columbia, Canada	100%	Inactive

c) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value in accordance with IFRS Accounting Standards. Accounting policies and methods of computation are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

d) Functional Currency

The functional currency of the Company and all its subsidiaries is the Canadian Dollar ("CAD").

e) Approval of the Consolidated Financial Statements

These consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on May 27, 2026.

(Expressed in Canadian dollars)

3. Accounts Receivable

As at		**March 31, 2026**		**December 31, 2025**
Trade receivables	$	67,086	$	168,307
GST/HST receivable		10,164		-
Other receivables		16,268		18,752
	$	**93,518**	**$**	**187,059**

Trade receivables and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 90 days past due. During the three months ended March 31, 2026, $nil (2025 - $5,670) of accounts receivable was recorded as bad debt within 'Selling, general, and administrative' within the consolidated statement of income (loss) and comprehensive income (loss).

4. Inventory

As at		**March 31, 2026**		**December 31, 2025**
Trade inventory - VERs	$	298,462	$	194,169
	$	**298,462**	**$**	**194,169**

5. Research and Development

The Company is developing rice farming and irrigation techniques as part of a large-scale project in the Philippines which may result in the development of additional VERs available to commercialize ("the Smart-Rice Project"). Upon meeting the capitalization requirements of IAS 38, these costs will be classified as 'emission reduction projects under development'. During the three months ended March 31, 2026, the Company incurred research and development expenses related to the Smart-Rice Project of $230,352 (2025 - $193,423), which are recognized as 'research and development' in the condensed consolidated interim statement of income (loss) and comprehensive income (loss).

6. Contract Costs In-Progress

During the three months ended March 31, 2026 and 2025, the Company entered into new consulting contracts related to providing advisory and consulting services such as climate risk assessments, feasibility studies, greenhouse gas inventories and methodology development.. As of March 31, 2026, the Company had capitalized $226,400 (December 31, 2025 - $173,611) in costs related to these contracts.

(Expressed in Canadian dollars)

7. Prepaid Expenses and Deposits

		March 31, 2026		December 31, 2025
Prepaid expenses				
Prepaid operating expenses	$	26,931	$	43,175
Deposits				
Credit card collateral		40,250		40,250
Lease deposit		26,288		26,288
Other		7,384		4,953
	$	**100,313**	**$**	**114,666**

8. Property and Equipment

	Computer Equipment	Furniture and Equipment	Total
Cost			
Balance at March 31, 2026 and December 31, 2025	**$ 75,122**	**$ 41,257**	**$ 116,379**
Accumulated Amortization			
Balance at December 31, 2024	$ 60,410	$ 38,339	$ 98,749
Amortization	6,621	584	7,205
Balance at December 31, 2025	$ 67,031	$ 38,923	$ 105,954
Amortization	1,207	117	1,324
Balance at March 31, 2026	**$ 68,238**	**$ 39,040**	**$ 107,278**
Carrying Amounts			
Balance at December 31, 2025	**$ 8,091**	**$ 2,334**	**$ 10,425**
Balance at March 31, 2026	**$ 6,884**	**$ 2,217**	**$ 9,101**

9. Accounts Payable and Accrued Liabilities

As at		**March 31, 2026**		**December 31,2025**
Trade payables	$	595,158	$	439,476
Accrued liabilities		720,626		565,500
Government sales tax payable		-		158,565
	$	**1,315,784**	**$**	**1,163,541**

(Expressed in Canadian dollars)

10. Deferred Revenue

Deferred revenue consists of amounts received for which the related performance obligations have not yet been satisfied. Deferred revenue is recognized when the related VERs are transferred or retired, or when the related consulting and advisory services are completed.

As at		March 31, 2026		December 31, 2025
Sale of VERs	$	720,603	$	2,175,675
Consulting and advisory services		343,730		328,162
Total	**$**	**1,064,333**	**$**	**2,503,837**

11. Right-of-Use Asset and Lease Liability

The Company has a lease for office premises that is recognized as a lease liability under IFRS 16. During the year ended December 31, 2025, the Company stopped utilizing and stopped making payments for the leased office space and impaired the remaining ROU asset balance. The agreement has not been terminated and lease payments continue to accrue.

	Office Lease
ROU Asset	
Balance at December 31, 2024	425,623
Amortization	(60,803)
Impairment	(364,820)
Balance at December 31, 2025 and March 31, 2026	-
Lease Liability	
Balance at December 31, 2024	451,965
Finance cost on lease liability	41,150
Payments against lease liability	(33,087)
Balance at December 31, 2025	**460,028**
Finance cost on lease liability	10,569
Balance at March 31, 2026	**470,597**

The current versus non-current portions of the lease liability are as follows:

As at		March 31, 2026		December 31, 2025
Current portion	$	258,974	$	125,182
Non-current portion		211,623		334,846
Total lease liability	**$**	**470,597**	**$**	**460,028**

(Expressed in Canadian dollars)

11. Right-of-Use Asset and Lease Liability (cont'd)

The following table presents the remaining undiscounted contractual lease payments as of March 31, 2026:

		Lease payments
2025 (unpaid arrear amounts)		76,757
2026		125,182
2027		140,917
2028		145,667
2029		12,171
Total undiscounted payments	**$**	**500,694**
Less: imputed interest		(30,097)
Present value of lease liability	**$**	**470,597**

12. Provisions and Other Liability

		Maintenance, Monitoring & Reporting		**Other Liability**		**Total**
Balance, March 31, 2026 and December 31, 2025	**$**	**69,629**	**$**	**243,112**	**$**	**312,741**

March 31, 2026 and December 31, 2025			
	Short term	Long term	**Total**
Maintenance, monitoring, & reporting (i)	$ 6,100	$ 63,529	**$ 69,629**
Other liability (ii)	243,112	-	**243,112**
	$ 249,212	**$ 63,529**	**$ 312,741**

Maintenance, monitoring, & reporting

Maintenance refers to the Community Ecosystem Restoration Plan ("CERP") project and relates to obligations to ensure planted trees reach a free growing state and have out-competed surrounding vegetation. Given the estimation uncertainty inherent in this provision, the Company accrues only the costs that can be reliably measured. Monitoring refers to the Denman Island Project and related obligations to monitor the project area over a total of 30 years.

During the three months ended March 31, 2026 and 2025, the Company incurred $nil in expenses related to the obligations and no changes to the estimated future obligation.

The present value of the maintenance and monitoring obligations using an effective annual discount rate of 3.85% (2024 – 3.29%) is currently estimated at $63,529 (2024 - $59,517) reflecting anticipated cash flows over the next 20 years. The undiscounted value of these obligations is $98,300 (2024 - $98,300). The present value is revised annually.

There have been no new additions to maintenance and monitoring obligations during the three months ended March 31, 2026.

12. Provisions and Other Liability (cont'd)

Other liability

(i) During the year ended December 31, 2012 the Company acquired OCS and CCC. As part of the consideration, the Company committed to payments up to $5,500,000 from 2013 to 2016, contingent on revenue achievements. The Company did not make the 2013 minimum payment of $1,500,000, leading to renegotiated terms through several amending agreements. The outstanding amount began accruing interest at 10% per annum starting January 1, 2014 and the provision is secured by the assets of OCS and CCC.

On July 5, 2019, the Company restructured its debt to a total of $1,824,321, reflecting both the principal amount and accrued interest. This restructuring involved converting half of the debt into common shares on July 22, 2019, and settling $442,800 from the proceeds of selling Forest Finest Consulting GmbH in July and August 2019. On March 20, 2020, an assignment of debt agreement was entered into whereby the remaining debt of $243,112 was assigned from the third-party lender to a director of the Company. Based on subsequent amending agreements, the remaining balance included cash repayments on July 22, 2022 and July 22, 2023. Despite these arrangements, the remaining balance is still outstanding as of December 31, 2025, and is classified as a short-term liability. This balance continues to accrue interest at the specified rate of 10% per annum.

During the three months ended March 31, 2026, the Company incurred and paid $6,125 (2025 - $5,990) in interest expense on the outstanding loan and as at March 31, 2026 $1,934 (December 31, 2025 - $2,065) accrued interest is outstanding in accounts payable and accrued liabilities.

13. Convertible Debentures

The Company has engaged in several convertible debenture agreements from Debenture A through F, involving various terms of interest, conversion options, and repayment schedules:

Debenture A (November 6, 2015): Issued to a company controlled by a significant shareholder of the Company for $111,575 with a 6% annual interest rate. The debenture was convertible at $0.10 per share and matured on November 10, 2017 at which time it was accreted to its face value.

Debentures B, C, and D (March 2016): Two $50,000 debentures issued to Philip C. Swift and subsequently assigned to a former director of the Company, and a $250,000 debenture issued to a company controlled by a significant shareholder of the Company. All debentures have a 6% annual interest rate, payable on each 6-month anniversary. All were convertible at $0.10 per share and had a term of three years. On September 23, 2016, an early re-payment of principal of $125,000 was made on Debenture C. As at December 31, 2019, the debentures were fully accreted up to their face value.

Debenture E (April 1, 2021): Issued to a former director of the Company for $250,000 with a 10% annual interest rate payable monthly. The debenture is repayable in five tranches over thirty-six months from the grant date, and convertible at $0.125 per share at any time within five years from the issuance date. No principal repayments have been made as at March 31, 2026.

(Expressed in Canadian dollars)

13. Convertible Debentures (cont'd)

Debenture F (June 15, 2022): On June 15, 2022, the Company issued a convertible debenture to a significant shareholder of the Company in the principal amount of $280,000, bearing interest at 5% per annum, payable monthly. The debenture matures sixty months from the date of issuance, with a maturity date of June 14, 2027, and is convertible into common shares at a price of $0.125 per share at any time prior to maturity. The debenture has been classified as a compound financial instrument, with the liability and equity components recognized separately at inception. Using an effective interest rate of 10%, the Company allocated $217,322 to the liability component and $62,678 to the equity component.

The schedule of outstanding debentures is as follows:

	Balance, December 31, 2024	Accretion	Balance, December 31, 2025	Accretion	Balance, March 31, 2026
Debenture A	$ 111,575	$ -	$ 111,575	$ -	$ 111,575
Debenture B	50,000	-	50,000	-	50,000
Debenture C	125,000	-	125,000	-	125,000
Debenture D	50,000	-	50,000	-	50,000
Debenture E	250,000	-	250,000	-	250,000
Debenture F	248,990	12,647	261,637	3,118	264,755
Total	**$ 835,565**	**$ 12,647**	**$ 848,212**	**$ 3,118**	**$ 851,330**

During the three months ended March 31, 2026, the Company recorded finance costs of $17,745 (2025 - $17,714) which includes accretion of $3,118 (2025 - $3,118) and accrued interest of $14,627 (2025 – $14,596).

At March 31, 2026, $589,693 (December 31, 2025 - $586,575) was classified as a short-term liability due within the next 12 months and remaining $261,637 (December 31, 2025 - $261,637) as long-term liability.

14. Share Capital

(a) Authorized:

Unlimited common shares without par value.

(b) Issued

During the three months ended March 31, 2026, no common shares were issued.

As at March 31, 2026, the Company had 114,091,113 common shares issued and outstanding.

(Expressed in Canadian dollars)

14. Share Capital (cont'd)

Share Options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options, subject to receipt of annual shareholder approval. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX-V, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense of the vesting period of the options. Options shall be granted as fully vested, unless a vesting schedule is imposed by the Board, then such options will vest in stages over at least a one-year period and no more than 25% every three months.

During the year ended December 31, 2025, the Company granted 7,000,000 share purchase options to employees, consultants, and directors under the Company's stock option plan. The options are exercisable at $0.05 per share and vest over a period of five years. The fair value of the options granted during the period, as determined using the Black-Scholes option pricing model, was $108,396.

The fair value for options granted have been estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

December 31,	**2025**
Risk-free interest rate	2.80%
Expected life (in years)	5
Expected volatility	183%
Expected dividend rate	0%
Fair value per option	$0.04
Share price on grant date	$0.04

The following table summarizes the continuity of the Company's share options at March 31, 2026:

	Number of Options		**Weighted Average Exercise Price**
Outstanding, December 31, 2024	**6,050,000**	**$**	**0.10**
Granted	7,000,000		0.05
Forfeited	(6,250,000)		0.10
Outstanding, December 31, 2025 and March 31, 2026	**6,800,000**		**0.06**

During the three months ended March 31, 2026, the Company recognized $44,193 (2025 - $81,311) in share-based compensation for share options that were granted, net of forfeitures.

(Expressed in Canadian dollars)

14. Share Capital (cont'd)

Options outstanding and exercisable as at March 31, 2026 were as follows:

Expiry Date	Number of Options Outstanding	Exercise Price	Number of Options Outstanding and Exercisable	Remaining Life (years)
April 11, 2029	750,000	$ 0.10	250,000	3.03
May 23, 2029	1,000,000	$ 0.10	333,333	3.15
July 30, 2029*	400,000	$ 0.10	-	3.33
September 10, 2029	50,000	$ 0.10	16,667	3.45
May 30, 2030	5,000,000	$ 0.05	-	4.17
	7,200,000		600,000	

**On July 30, 2024, the Board of Directors approved the issuance of 400,000 share purchase options under the stock option plan. As of December 31, 2025, the related grant agreements had not yet been executed.*

Warrants

The following table summarizes the continuity of the Company's warrants at March 31, 2026:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2025 and March 31, 2026	**16,883,460**	**$ 0.085**

Warrants outstanding and exercisable as at March 31, 2026 and December 31, 2025 were as follows:

Expiry Date	Number of Warrants Outstanding	Exercise Price	Number of Warrants Exercisable	Remaining Life (years)
February 28, 2027	15,383,460	$ 0.085	15,383,460	0.92
November 2, 2028	1,500,000	$ 0.080	1,500,000	2.59
	16,883,460		16,883,460	

(Expressed in Canadian dollars)

15. Related Party Transactions and Balances

During the three months ended March 31, 2026 and 2025, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

The remuneration of key management personnel during the three months ended March 31, 2026 and 2025 are as follows:

Three months ended March 31,	2026	2025
Consulting fees	39,996	32,498
Share-based compensation	19,262	32,571
	59,258	65,069

Transactions with entities controlled by related parties during the three months ended March 31, 2026 and 2025 are as follows:

Three months ended March 31,		2026		2025
Consulting fees – Paid or accrued	$	18,750	$	53,906
Consulting fees – Share-based		11,068		9,061
		29,818		62,967

Of the consulting fees paid or accrued during the three months ended March 31, 2026, $15,000 (2025 - $15,000) relates to compensation earned by related parties, which is intended to be settled through the issuance of common shares of the Company, subject to applicable approvals.
As at March 31, 2026, total compensation due to related parties of $205,000 (December 31, 2025 - $202,495) was intended to be settled through the issuance of common shares of the Company, subject to applicable approvals.

Amounts due to related parties at March 31, 2026 and December 31, 2025 included in accounts payable and accrued liabilities are as follows:

As at		March 31, 2026		December 31, 2025
Due to related parties	$	472,501	$	398,087
Accrued debenture interest due to related party		80,161		68,493

On May 12, 2025, the Company entered into a loan agreement with a company controlled by the Chief Executive Officer for a principal amount of $50,000. The loan is secured by the assets of the Company and accrues interest of 13.5% per annum and matured on June 12, 2025. On June 24, 2025, the Company received a further advance of $75,000 under the same terms. The loan remains unpaid and is due on demand. Included in loan as at March 31, 2026 is $139,546 made up of $125,000 principal (December 31, 2025 - $125,000) and accrued interest of $14,546 (December 31, 2025 - $9,978). During the three-months ended March 31, 2026 the Company incurred interest expense of $4,568 (2025 - $nil).

(Expressed in Canadian dollars)

16. Revenues

Three months ended March 31		**2026**		**2025**
Sale of VERs	$	1,707,225	$	162,103
Consulting and advisory services		36,517		471,861
Total	**$**	**1,743,742**	**$**	**633,694**

17. Cost of Goods Sold

Three months ended March 31		**2026**		**2025**
Sale of VERs	$	239,244	$	153,464
Consulting and advisory services		6,247		159,805
Total	**$**	**245,491**	**$**	**313,269**

18. Segmented Information

The Company has one reportable segment operating in Canada and the United States, being that of development and sale of VERs and advisory services.

<u>Revenues</u>

Geographic information is as follows:

Three months ended March 31		**2026**		**2025**
Canada		1,733,843		342,098
USA		9,899		155,688
Others		-		136,178
Total	**$**	**1,743,742**	**$**	633,964

The Company had concentrated revenues as follows:

Three months ended March 31	**2026**	**2025**
Customer A	0%	25%
Customer B	0%	24%
Customer C	0%	13%
Other	100%	38%
Total	**100%**	**100%**

The Company's customers contributing to the concentrated revenues are not comparative balances from year to year. As at March 31, 2026, the Company had one customer who represented over 16% of the total accounts receivable.

(Expressed in Canadian dollars)

19. Supplemental Disclosures with Respect to Cash Flows

Changes in non-cash operating working capital:

As at March 31,		**2026**		**2025**
Accounts receivable		93,541		(107,593)
Inventory		(104,293)		1,440
Contract costs in-progress		(52,789)		31,706
Prepaid expenses and deposits		14,353		34,248
Accounts payable and accrued liabilities		153,111		(545,887)
Deferred revenue		(1,439,504)		199,189
Total	**$**	**(1,335,581)**	**$**	**(386,897)**

Supplemental disclosures and non-cash transactions relating to financing and investing activities not disclosed elsewhere, and other disclosures:

		2026		**2025**
Accrued interest on convertible debentures	**$**	78,729	**$**	50,585
Cash paid for interest	**$**	15,909	**$**	55,294
Cash paid for taxes	**$**	-	**$**	-