

AD4 CAPITAL CORP.

**CONDENSED INTERIM
FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)**

**FOR THE THREE AND SIX MONTHS ENDED
APRIL 30, 2026 AND 2025**

Unaudited – Prepared by Management

AD4 CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

(Expressed in Canadian Dollars)

AS AT APRIL 30, 2026 AND OCTOBER 31, 2025

	Note	April 30, 2026	October 31, 2025
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	619,327	559,522
Accounts receivable		8,279	8,453
Total assets		627,606	567,975
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		59,139	42,600
Subscriptions received in advance		102,500	-
Total liabilities		161,639	42,600
Shareholders' equity			
Capital stock	5	869,805	869,805
Contributed surplus		95,739	114,489
Deficit		(499,577)	(458,919)
Total shareholders' equity		465,967	525,375
Total liabilities and shareholders' equity		627,606	567,975

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on June 4, 2026

"Alfredo De Lucrezia" Director "John Pallot" Director

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

AD4 CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)**

(Expressed in Canadian Dollars)

FOR THE THREE AND SIX MONTHS ENDED APRIL 30

	Three months ended April 30, 2026	Three months ended April 30, 2025	Six months ended April 30, 2026	Six months ended April 30, 2025
	\$	\$	\$	\$
EXPENSES				
Professional fees	16,350	17,800	33,015	29,665
Bank charges	253	300	653	700
Licences and fees	5,939	11,099	6,804	12,414
Office and administrative expenses	12,925	10,481	23,204	20,445
Share based compensation	-	-	-	5,625
	(35,467)	(39,680)	(63,676)	(68,849)
Interest income	2,517	403	4,268	6,116
Loss and comprehensive loss for the period	(32,950)	(39,277)	(59,408)	(62,733)
Loss per common share				
Basic	(0.00)	(0.00)	(0.00)	(0.00)
Diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding				
Basic and diluted	15,500,001	15,500,001	15,500,001	15,500,001

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

AD4 CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**

(Expressed in Canadian Dollars)

FOR THE SIX MONTHS ENDED APRIL 30

	2026	2025
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	(59,408)	(62,733)
Item not affecting cash		
Share-based payments	-	5,625
Interest income	(4,268)	(6,116)
Change in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	16,539	(13,175)
Decrease (increase) in accounts receivable	174	(1,310)
Net cash used in operating activities	(46,963)	(77,709)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	4,268	6,116
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscriptions received in advance	102,500	-
Increase (Decrease) in cash during the period	59,805	(71,593)
Cash and cash equivalents, beginning of period	559,522	658,655
Cash and cash equivalents, end of period	619,327	587,062

There were no non-cash financing or investing activities during the period.

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

AD4 CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

(Expressed in Canadian Dollars)

	Capital stock				
	Number of	Amount	Contributed	Deficit	Total
	shares		Surplus		
		\$	\$	\$	\$
Balance as of November 1, 2024	15,500,001	869,805	116,250	(357,303)	628,752
Loss for the period	-	-	-	(62,733)	(62,733)
Share-based compensation	-	-	5,625	-	5,625
Share based compensation for options surrendered	-	-	(5,625)	5,625	-
Balance as at April 30, 2025	15,500,001	869,805	116,250	(414,411)	571,644
Balance as of November 1, 2025	15,500,001	869,805	114,489	(458,919)	525,375
Loss for the period	-	-	-	(59,408)	(59,408)
Share based compensation for options surrendered or cancelled	-	-	(18,750)	18,750	-
Balance as at April 30, 2026	15,500,001	869,805	95,739	(499,577)	465,967

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

1. NATURE AND CONTINUANCE OF OPERATIONS

AD4 Capital Corp. (the “Company”) was incorporated on June 14, 2021 under the laws of the Province of British Columbia, Canada, as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. Head office is located at 948 Ridgeway Avenue, North Vancouver, British Columbia, Canada V7L 3R4. The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the “Qualifying Transaction”), subject to, if a non-arm’s length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities. Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

These interim financial statements (“financial statements”) have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting and Interpretations Committee.

These financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2025.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in its annual financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, “IFRS”), as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVTOCI”). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company

(b) Financial instruments

The Company classifies its financial instruments in the following categories: as FVTPL, FVTOCI financial assets at amortized cost, and financial liabilities at amortized cost. The classification depends on the purpose for which the financial asset or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd...)

(i) Financial assets

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to a contractual provision of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and
- (b) Those to be measured at amortized cost.

The Classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at the fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial liabilities are not reclassified.

Cash and cash equivalents are classified as FVTPL and are accounted for at fair value. Cash equivalents include highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(ii) Financial liabilities

The Company has the following financial liabilities at amortized cost: accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit and loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd...)

(c) Impairment

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the assets at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportable forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

(d) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their fair value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date (once a public listing has been obtained). The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

(e) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

On vesting, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled, or expires, the initial recorded value is reversed from contributed surplus and charged to deficit.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd...)

(f) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(g) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares which includes shares held in escrow.

Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company.

(h) Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

(i) Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such difference may result in eventual tax payments differing from amounts accrued. Reporting amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

AD4 CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Canadian Dollars)
APRIL 30, 2026 AND 2025

3 NEW ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2026, or later periods.

The Company has reviewed these updates and determined that none are applicable or consequential to the Company and have been excluded from discussion in these financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1. *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined sub totals, disclosures about management-defined performance measures and new principles for aggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	April 30, 2026	October 31, 2025
Cash	\$619,327	\$ 52,305
Guaranteed investment certificate	-	507,217
	<u>\$619,327</u>	<u>\$559,522</u>

5 SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

All of the currently issued and outstanding common shares of the Company issued at \$0.05, being 11,050,001 common shares, are subject to escrow conditions. Under the Escrow Agreement, 25% of the escrowed common shares will be released from escrow on acceptance by the TSX-V of the Company's Qualifying Transaction and thereafter, an additional 25% every six months for eighteen months.

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares.

Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the day on which the Company announces the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX-V. Vesting terms are determined by the Board of Directors at the time of grant.

AD4 CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(Expressed in Canadian Dollars)
APRIL 30, 2026 AND 2025

5 SHARE CAPITAL

A summary of the Company's outstanding and exercisable stock options during the six months ended April 30, 2026 and 2025 are as follows:

Expiry date	Exercise Price	Balance, October 31, 2025	Granted	Exercised	Forfeited or Expired	Balance, April 30, 2026
June 28, 2027	\$0.10	1,275,000	-	-	(250,000)	1,025,000
March 2, 2028	\$0.10	100,000	-	-	-	100,000
November 15, 2028	\$0.10	100,000	-	-	-	100,000
June 29, 2027	\$0.10	75,000	-	-	-	75,000
Total	\$0.10	1,550,000	-	-	(250,000)	1,300,000

Expiry date	Exercise Price	Balance, October 31, 2024	Granted	Exercised	Forfeited or Expired	Balance, April 30, 2025
June 28, 2027	\$0.10	1,350,000	-	-	(75,000)	1,275,000
March 2, 2028	\$0.10	100,000	-	-	-	100,000
November 15, 2028	\$0.10	100,000	-	-	-	100,000
June 29, 2027	\$0.10	-	75,000	-	-	75,000
Total	\$0.10	1,550,000	75,000	-	(75,000)	1,550,000

Contributed surplus

Contributed surplus includes the accumulated fair value of stock options recognized as share-based payments and the fair value of options and warrants issued on private placements. Contributed surplus is increased by the fair value of these items and is reduced by corresponding amounts when options or warrants expire or exercised or cancelled.

Escrowed securities

The Company has entered into Escrow Agreements in relation to the 11,050,001 of its common shares issued as at April 30, 2026 where by these shares have been placed in escrow.

Upon the Company completing a Qualifying Transaction, the escrowed common shares will be subject to a timed release over an 18-month period.

6. LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended April 30, 2026 was based on the loss attributable to common shareholders of \$59,408 and a weighted average number of common shares outstanding of 15,500,001.

The calculation of basic and diluted loss per share for the six months ended April 30, 2025 was based on the loss attributable to common shareholders of \$62,733 and a weighted average number of common shares outstanding of 15,500,001.

AD4 CAPITAL CORP.**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**

(Expressed in Canadian Dollars)

APRIL 30, 2026 AND 2025

7. RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence from incorporation to April 30, 2026.

Key management personnel and Directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice. Key management personnel and Directors can participate in the Company's stock option plan.

The Company entered into transactions with related parties during the six month period ended April 30, 2026 as follows:

- (a) Paid or accrued charges for office and administrative expenses to its Chief Executive Officer in the amount of \$18,000 (2025 - \$18,000)
- (b) Paid or accrued professional fees to its Chief Financial Officer in the amount of \$5,800 (2025- \$2,700)
- (c) Paid or accrued professional fees to its Corporate Secretary in the amount of \$22,400 (2025- \$24,000)

8. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENT**Capital management**

The Company is a Capital Pool Company and considers items included in shareholders' equity as capital. The Company has no debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company has shareholders' equity of \$465,967 as of April 30, 2026.

The Company currently has no source of revenues. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.

AD4 CAPITAL CORP.**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**

(Expressed in Canadian Dollars)

APRIL 30, 2026 AND 2025

8. CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENT (Con't..)**Financial instruments - fair value**

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is measured using level 1 inputs.

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk and liquidity risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash, which are all held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company has minimal receivable exposure as its refundable credits are due from the Canadian Government.

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

AD4 CAPITAL CORP.**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**

(Expressed in Canadian Dollars)

APRIL 30, 2026 AND 2025

9 PROPOSED TRANSACTION

On March 17, 2025, the Company entered into a Letter of Intent with Responsible Energy Inc. (“REI”), a private cleantech company, whereby the Company proposes to acquire all of the issued and outstanding shares of REI by way of an amalgamation, security exchange, plan of arrangement or similar transaction which will result in a reverse takeover of the Company by REI and its shareholders (the “Transaction”).

The Transaction is intended to constitute the Company’s “Qualifying Transaction” as such term is defined in Policy 2.4 – *Capital Pool Companies* (“Policy 2.4”) of the TSX Venture Exchange (the “Exchange”). Upon completion of the Transaction, it is anticipated that the resulting issuer (the “Resulting Issuer”) will be listed as a Tier 2 Technology Issuer on the Exchange.

The material terms and conditions outlined in the LOI are intended to be binding on the Company and REI. The execution of a definitive agreement (the “Definitive Agreement”) to be negotiated between the Company and REI will replace and supersede the LOI.

The LOI may be terminated in accordance with its terms, including upon mutual agreement of the parties, if the Transaction is not completed by June 30, 2026 or such later date as the parties may mutually agree in writing, if due diligence identifies circumstances preventing completion or upon written notice by either party in the event of material change, undisclosed material fact, or material breach of the other party. Only cost and expense provision, confidentiality obligations, and any liabilities arising from breaches prior to termination will continue following termination.

Immediately prior to the closing of the Transaction, it is intended that the Company will consolidate (the “Consolidation”) its common shares (the “Shares”) such that a maximum of 5,166,667 post-Consolidation Shares will then be outstanding (prior to any exercise or conversion of convertible securities of the Company or a financing by the Company).

On the date of the closing of the Transaction, it is intended that the Company acquire all of the issued and outstanding common shares of REI in exchange for post-Consolidation Shares on the basis of one (1) share (on the post-Consolidation basis) for every one (1) common share of REI.

REI is a private cleantech company established under the *Business Corporations Act* (Ontario) on August 31, 2007 and currently has one operational facility located in Maitland, Ontario. REI is dedicated to developing a system using its multi-patented Free Radical Gasification technology to address the challenge of per – and polyfluoroalkyl substances destruction.

The proposed Qualifying Transaction will be a subject to a number of conditions, including both the Company and REI completing their own financings, a consolidation of the Company’s share capital on a ratio of one (1) new for three (3) old, Exchange acceptance and other customary conditions for a transaction of this type.