A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This amended and restated prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons authorized to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**U.S. Securities Act**") and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state laws or an exemption from such registration is available. See "Plan of Distribution" below.*

Initial Public Offering **November 3, 2023**

AMENDED AND RESTATED PRELIMINARY PROSPECTUS
(amending and restating the preliminary prospectus dated August 4, 2023)

Zefiro Methane Corp.

OFFERING

Type of Securities	Number of Securities	Price per Security
Common Shares	[●]	[$●]

Zefiro Methane Corp. (the "**Company**") was incorporated under the *Business Corporations Act* (British Columbia) on March 7, 2018. Its registered and records office is located at Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC, V6C 2B5. The Company operates an end-of-life oilfield solutions business.

This amended and restated prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") in the provinces of British Columbia, Alberta and Ontario being made by PI Financial Corp. ("**PI**" or the "**Lead Underwriter**"), and Raymond James Ltd. and Echelon Wealth Partners Inc. (collectively with the Lead Underwriter, the "**Underwriters**"), of [●] common shares without par value (the "**Common Shares**") in the capital of the Company at a price of [$●] per Common Share (the "**Offering Price**") for aggregate gross proceeds of $3,000,000. The Offering Price was determined by negotiation between the Company and the Underwriters. See "*Plan of Distribution*" below.

The Common Shares are being sold pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated [●], 2023, between the Company and the Underwriters.

	Price to Underwriters	Underwriters' Commission(1)	Proceeds to Company(2)
Per Common Share	[$●]	[$●]	[$●]
Total Offering(3)	$3,000,000	$180,000	$2,820,000

Notes:

(1) Pursuant to the terms and conditions of the Underwriting Agreement between the Company and the Underwriters, the Company has agreed to pay the Underwriters upon closing of the Offering, a cash commission (the "**Underwriters' Commission**") equal to 6% of the aggregate gross proceeds realized from the sale of the Common Shares under the Offering. In addition, the Underwriters will also receive that number of compensation

options (the "**Compensation Options**") equal to 6% of the aggregate number of Common Shares issued in the Offering, each of which will entitle the holder to purchase one Common Share (each a "**Compensation Share**") at a price that is equal to the Offering Price for a period of 36 months from the Closing Date (as defined herein). This Prospectus also qualifies for distribution the Compensation Options.

(2) Before deducting expenses of the Offering, to be borne by the Company, estimated to be $250,000. The Company will pay the Underwriters' expenses incurred in connection with the Offering. See "*Plan of Distribution*".

(3) Assuming the Over-Allotment Option (as defined herein) is not exercised. If the Over-Allotment Option is exercised in full, the total Offering will be $3,450,000, the Underwriters' Commission will be $207,000 and the proceeds to the Company will be $3,243,000, respectively.

The Company has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at any time for a period of 30 days after Closing, to purchase from us up to an additional [●] Common Shares (the "**Over-Allotment Shares**") representing up to an additional 15% of the number of Common Shares sold pursuant to the Offering.

This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires such Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

In connection with the Offering, and the grant to Underwriters of the Over-Allotment Option, the Underwriters may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Common Shares at a price lower than that stated above. See "*Plan of Distribution*".**

An investment in the Common Shares is speculative and involves a high degree of risk that should be considered by potential purchasers. An investment in the Company Shares is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. The risk factors included in this Prospectus should be reviewed carefully and evaluated by prospective purchasers of the Common Shares. See "*Risk Factors*" and "*Forward-Looking Information*".

There is no market through which the securities of the Company may be sold and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of Company regulation. See "*Risk Factors*".

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Cboe Canada, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc). See "*Risk Factors*".

The Company has applied to list its Common Shares on the Canadian Securities Exchange (the "**CSE**"). Listing will be subject to the Company fulfilling all of the requirements of the CSE.

The Underwriters' position is as follows:

Underwriters' Position	**Maximum Number of Securities Available**	**Exercise Period or Acquisition Date**	**Exercise Price or Average Acquisition Price**
Over-Allotment Option	[●] Over-Allotment	Within 30 days from	[$●] per Over-Allotment

	Shares	the Closing Date	Share
Compensation Options[(1)]	[●] Common Shares	Within 36 months from the Closing Date	[$●] per Compensation Option
Total securities under option issuable to Underwriters	[●] Over-Allotment Shares [●] Common Shares		

Note:
(1) These securities are qualified for distribution by this Prospectus. See "*Plan of Distribution*".

The Underwriters conditionally offer the Common Shares qualified under this Prospectus, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Company by Cozen O'Connor LLP and on behalf of the Lead Underwriter by Cassels Brock & Blackwell LLP. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part by the Underwriters and the right is reserved to close the subscription books at any time without notice. It is intended that the closing of the Offering (the "**Closing"**) will occur on or about [●], 2023 or such other date as may be agreed upon by the Company and the Underwriters. In any event, the Common Shares are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of receipt for the final prospectus (the "**Closing Date**").

The Underwriters may offer the Common Shares at a price lower than the Offering Price. See "*Plan of Distribution*".

It is anticipated that the Common Shares will be issued as non-certificated book-entry securities through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. Consequently, purchasers of Common Shares are expected to receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Common Shares were purchased and no certificate evidencing the Common Shares will be issued. Registration will be made through the depository services of CDS.

Curt Hopkins, CEO of the Company, Jeffrey Frase, President, Corporate Development of the Company, Tina Reine, CCO of the Company, Daryl Heald, a director of the Company, Talal Debs, Founder, Executive Chairman, and a director of the Company and Catherine Flax, a director of the Company, reside outside of Canada and have appointed the Company at its registered and records set forth above as their agent for service of process. It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

All references in this Prospectus to "dollars", "C$" or "$" are to Canadian dollars, unless otherwise stated. References to "US$" are to United States dollars. The daily average exchange rate for Canadian dollars in terms of the United States dollar on November 2, 2023, as reported by the Bank of Canada, was C$1.3778 : US$1.00.

PI FINANCIAL CORP.
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Telephone: 1-800-810-7022

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IMPORTANT ADVISORY

A prospective investor should read this entire Prospectus and consult the prospective investor's own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Common Shares.

A prospective investor should rely only on the information contained in this Prospectus and should not rely on some parts of this Prospectus to the exclusion of others. None of the Company or the Underwriters have authorized anyone to provide investors with additional or different information.

None of the Company or the Underwriters are offering to sell the Common Shares in any jurisdiction where an offer or sale is not permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Common Shares. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

For investors outside of Canada, none of the Company or the Underwriters have done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the distribution of this Prospectus.

The information contained on the Company's websites, including www.zefiromethane.com and www.plantsgoodwin.com, is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Common Shares.

Prospective investors are urged to carefully read the information under the headings "Cautionary Statements Regarding Forward-Looking Information" and "Risk Factors" in this Prospectus.

PRESENTATION OF INFORMATION

Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement, as it may be amended, supplemented or restated from time to time.

All references in this Prospectus to "dollars", "C$" or "$" are to Canadian dollars, unless otherwise stated. References to "US$" are to United States dollars.

Figures, columns and rows presented in tables provided in this Prospectus may not add due to rounding.

Unless otherwise indicated or the context otherwise requires, information contained in this Prospectus assumes that the Over-Allotment Option has not been exercised.

All references in this Prospectus to management are to the persons who are identified in this Prospectus as the executive officers of the Company. See *"Directors and Executive Officers".* All statements in this Prospectus made by or on behalf of management are made in such persons' capacities as executive officers of the Company and not in their personal capacities.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information which deals with intentions, beliefs, expectations and future results as they pertain to the Company and the Company's industry. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Prospectus. Forward-looking information is often, but not always, identified by the use of words such as "seeks", "believes", "plans", "expects", "intends", "estimates", "anticipates" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other

similar expressions. This forward-looking information includes, without limitation:

- information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business objectives,
- the adequacy of the Company's available cash resources and other statements about future events or results,
- information concerning the development of the Company's business and operations,
- the size, growth and competition of the carbon markets and the carbon capture industry,
- the supply and demand for the reduction of methane emissions through the plugging of orphaned and abandoned oil and gas wells,
- public, governmental and corporate focus and interest on environmental issues, laws and regulations, and their prioritization thereof,
- environmental, health and safety standards set out by various governmental authorities, bodies and regulators,
- governmental and other funding, grants or incentives towards methane and other greenhouse gas reduction initiatives,
- the Company's ability to prioritize and maximize its projects and agreements and execute such projects and agreements profitably,
- the Company's ability to obtain additional projects and agreements,
- the Company's position for future success,
- the intention to grow the business, operations and potential activities of the Company,
- the Company's available funds and use and use of such available funds,
- the completion of the Offering and the size and timing thereof,
- the use of the net proceeds of the Offering,
- the listing of the Common Shares on the CSE, and
- the receipt of all required regulatory, CSE and other approvals in relation to the Offering.

Forward-looking information is information about the future and is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to under the heading "*Risk Factors*".

The forward-looking information is based on a number of assumptions and factors, including assumptions and factors regarding:

- general and industry-specific market conditions and trends,
- from industry experts and analysts regarding the size, growth and competition of the carbon markets and the carbon capture industry, and the supply and demand for the reduction of methane emissions through the plugging of orphaned and abandoned oil and gas wells,
- the implementation and success of the Company's business strategy and outlook, and the growth and expansion of its business,
- operating and capital costs, including the amount and nature thereof,
- achievement of the anticipated level of operating expenses,
- ability to execute and deliver projects in a cost-efficient and timely manner,
- the availability of financing for proposed transactions and programs on reasonable terms, and
- the ability of outside service providers to deliver services in a satisfactory and timely manner.

The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. For the reasons set forth above, investors should not place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

This Prospectus includes many cautionary statements, including those stated under the heading "*Risk Factors*". You should read these cautionary statements as being applicable to all related forward-looking information wherever it appears in this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cozen O'Connor LLP, Canadian tax counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Common Shares are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the CSE) or the Company is otherwise a "public corporation" (as such term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan (a "**RRSP**"), a registered retirement income fund (a "**RRIF**"), a deferred profit sharing plan, a registered disability savings plan (an "**RDSP**"), a registered education savings plan (a "**RESP**"), a tax-free savings account (a "**TFSA**") and a first home savings account (a "**FHSA**", and collectively the "**Plans**").

The Common Shares are not currently listed on a "designated stock exchange" and the Company is not otherwise a "public corporation" (as such term is defined in the Tax Act). The Company has applied to list the Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the requirements of the CSE. The Company will rely upon the CSE to list the Common Shares on the CSE as of the day before Closing (as defined herein) and otherwise proceed to cause the Common Shares issued on the Closing to be listed on a "designated stock exchange" at the time of issuance. If the Common Shares are not listed on the CSE at the time of their issuance on the Closing and the Company is not otherwise a "public corporation" at that time, the Common Shares will not be qualified investments for the Plans at that time.

Notwithstanding that the Common Shares may become a qualified investment for a TFSA, RRSP, RRIF, RDSP, RESP or FHSA (a "**Registered Plan**"), the holder, subscriber or annuitant of a Registered Plan (as the case may be) will be subject to a penalty tax as set out in the Tax Act in respect of the Common Shares if such shares are a "prohibited investment" for the purposes of the Tax Act. The Common Shares generally will be a "prohibited investment" for a Registered Plan if the holder, subscriber or annuitant (as the case may be): (i) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Company. In addition, the Common Shares will not be a "prohibited investment", if the Common Shares are "excluded property", as defined in the Tax Act, for the Registered Plan.

Prospective holders that intend to acquire or hold Common Shares in a Registered Plan are urged to consult their own tax advisors.

GLOSSARY OF TECHNICAL AND INDUSTRY TERMS

The following is a glossary of certain technical terms and abbreviations used in this Prospectus:

Term	Definition	Term	Definition
ACR	American Carbon Registry	**IPCC**	Intergovernmental Panel on Climate Change
ACR OOG Methodology	American Carbon Registry orphaned oil and gas methodology	**ITMOs**	Internationally Transferred Mitigation Outcomes
ARB	Air Resource Board	**NDC**	nationally determined contributions

Term	Definition	Term	Definition
ARO	Asset Retirement Obligation	**NF_3**	nitrogen trifluoride
AOOG	abandoned and orphaned oil and gas well	**NO_2**	nitrous oxide
CCB	climate, community and biodiversity	**OOG**	orphaned oil and gas wells
CCUS	carbon capture, utilization and storage	**PDD**	project design document
CH_4	methane	**RGGI**	Regional Greenhouse Gas Initiative
CO_2	carbon dioxide	**RMLD**	remote methane leak detector
CO_2e	carbon dioxide equivalent	**SDGs**	United Nations Sustainable Development Goals
°C	Celsius	**SF_6**	sulfur hexafluoride
ERT	emission reduction ton	**ton**	metric ton (1,000 kilograms)
ESG	environmental, social and corporate governance	**UNFCCC**	United Nations Framework Convention on Climate Change
ETSs	emission trading systems	**VCS**	voluntary carbon standard
GHG	green house gases	**VERs**	voluntary emission reductions
GWP100	global warming potential over 100 years	**VVBs**	verifying and validating bodies

MARKETING MATERIALS

The “template version” of any “marketing materials” (as such terms are defined in NI 41-101) utilized by the Underwriters and the Company in connection with the Offering is deemed to be incorporated by reference into the final prospectus, but is not part of the final prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the final prospectus. The template version of any marketing materials filed on SEDAR+ after the date of the final prospectus and before the termination of the distribution pursuant to the Offering (including any amendments to, or an amended version of, the template version of the marketing materials) will be deemed to be incorporated by reference into the final prospectus.

FINANCIAL STATEMENTS

The Company presented its financial statements in Canadian dollars for financial periods ending up to the six months ended June 30, 2022. For the financial year ended June 30, 2023, the Corporation switched to U.S. dollar reporting. All references in this Prospectus to “dollars”, “C$” or “$” are to Canadian dollars, unless otherwise stated.

This Prospectus includes financial statements and associated management’s discussion and analyses (collectively, the “**MD&As**”) in respect of the Company’s acquisition of Zefiro Methane, as required by NI 41-101 set out in Item 32 of Form 41-101F1 – *Information Required in a Prospectus*. NI 41-101 requires the Company to furnish three years of financial statements and accompanying MD&As for Zefiro Methane because the primary business of the Company in this context is the business of Zefiro Methane. Zefiro Methane has not existed for three years and so this information is presented since incorporation.

The Prospectus also includes financial statements and MD&As of P&G in respect of the Company's acquisition of P&G, as required by NI 41-101 set out in Item 32 of Form 41-101F1 – *Information Required in a Prospectus*. NI 41-101 requires the Company to furnish two years of financial statements and accompanying MD&As for P&G because the primary business of the Company in this context is the business of P&G. The financial statements of P&G in this Prospectus have been prepared in accordance with IFRS and are presented in U.S. dollars.

EXCHANGE RATE DATA

The following table sets forth, for the periods indicated, the high, low, average and period-end daily exchange rates for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada.

	Year Ended June 30,		**Three Months Ended March 31,**		**Year Ended December 31,**	
	2023	**2022**	**2023**	**2022**	**2022**	**2021**
Highest rate during the period	1.3856	1.3039	1.3807	1.2867	1.3856	1.2942
Lowest rate during the period	1.2753	1.2329	1.3312	1.2470	1.2451	1.2040
Average rate for the period	1.3397	1.2659	1.3526	1.2662	1.3011	1.2535
Rate at the end of the period	1.3240	1.2886	1.3533	1.2496	1.3544	1.2678

No representation is made that Canadian dollars could be converted into U.S. dollars at that rate or any other rate.

MARKET, INDEPENDENT THIRD PARTY AND INDUSTRY DATA

Market and industry data presented throughout this Prospectus was obtained from third party sources, websites and other publicly available information, as well as industry and other data prepared by the Company or the Company's behalf on the basis of knowledge of the markets in which it operates. The Company believes that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by the Company or the Company's behalf, that the opinions, estimates and assumptions expressed in this Prospectus are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and neither the Company nor the Underwriters make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company believes it to be reliable, neither the Company nor the Underwriters have independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. The Company's internal research and assumptions have not been verified by any independent source. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. In addition, projections, assumptions and estimates of the Company's future performance or the future performance of the industry and markets in which the Company intends to operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under *"Cautionary Statements Regarding Forward-Looking Information"* and *"Risk Factors".*

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company

The Company is in the business of providing end-of-life solutions for industrial oil and gas operations that currently or potentially emit harmful greenhouse gas emissions, specifically methane released from orphaned and abandoned oil and gas wells or associated midstream assets. The Company identifies prospective orphaned and abandoned oil and gas well plugging projects and then seeks to originate carbon credits from the reduced methane emissions through the plugging of these wells. Through the project development, project implementation and verification and credit transfer, carbon credits may be developed for sale into the carbon markets. See "*Description and General Development of the Business*".

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 7, 2018 under the name "Caden Capital Corp.". Its registered and records office is located at Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC V6C 2B5. The Company has three wholly-owned subsidiaries, Zefiro Methane Operations Corp. ("**Zefiro Methane**"), Zefiro Methane LLC ("**Zefiro USA**"), through which Zefiro conducts its business in the United States of America, and Zefiro Methane Holding LLC ("**Zefiro Holding**"). The Company, through Zefiro Holding, also owns 75% of the issued and outstanding capital stock of Plants and Goodwin, Inc. ("**P&G**"), which currently provides end-of-life well solutions the Appalachia Basin. See "*Description and General Development of the Business – Business Overview – The Company's Business Model*".

On September 16, 2022, the Company entered into a securities exchange agreement with the shareholders and warrant holders of Zefiro Methane, whereby the Company purchased all of the issued and outstanding shares and warrants of Zefiro Methane (the "**Transaction**"). The Transaction resulted in Zefiro Methane becoming a wholly-owned subsidiary of the Company effective September 28, 2022. See *"Acquisition of Zefiro Methane*".

On February 24, 2023, the Company entered into a stock purchase agreement with a shareholder of P&G, whereby the Company purchased 75% of the issued and outstanding shares of P&G. The transaction resulted in P&G becoming a 75% owned subsidiary of the Company effective May 12, 2023. The Company holds its interest in P&G through Zefiro Holding. See *"P&G Transaction*" and "*Significant Acquisitions*".

Use of Available Funds

The gross proceeds to the Company (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be $3,000,000. The total funds available to the Company at the closing of the Offering, after deducting the estimated expenses of the Offering of $250,000 and the Underwriters' Commission of $180,000, and including the Company's estimated working capital as at September 30, 2023 of $4,157,006, are estimated to be $6,727,006.

The Company intends to use the available funds as follows over the next 12 months:

Use of Available Funds	Amount ($)
Plugging and Measuring Equipment Purchases	1,059,360
Operational Team Scaling	469,144
Carbon Credit Pre-Sale Fees	25,000
P&G Integration Fees	243,360
Professional Fees	304,200
Management Overhead	1,929,642

Use of Available Funds	Amount ($)
Marketing and Investor Relations	705,311
SUBTOTAL:	**4,736,017**
Unallocated Working Capital	1,990,989
TOTAL:	**6,727,006**

The Company intends to spend the available funds as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons a reallocation of the funds may be necessary. See "*Use of Available Funds*".

Risk Factors

An investment in the Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development and should only be considered by investors who can afford the total loss of their investment.

A prospective purchaser of the Common Shares should be aware that there are various risks that could have a material adverse effect on, among other things, the properties, business and condition (financial or otherwise) of the Company. These risk factors, together with all of the other information contained in this Prospectus, including information contained in the sections entitled "*Risk Factors*" and "*Cautionary Statements Regarding Forward-Looking Information*", should be carefully reviewed and considered before the decision to purchase the Common Shares is made.

The Company has a limited operating history (excluding P&G). The Company has no history of earnings (excluding P&G) and may need to raise additional capital in the future. The intended use of proceeds described in this Prospectus is an estimate only and is subject to change. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The Company's ability to generate sufficient cash flow from operations to meet its ongoing financial obligations to its contractors, service providers, merchants, employees and creditors, including payment of amounts due under the Note (as defined herein), will depend on future financial performance. The risks and uncertainties described in the section entitled "*Risk Factors*" are not exhaustive. Additional risks not presently known or currently deemed immaterial may also impair the Company's business operations and the business operations of its subsidiaries. If any of the events described in the section entitled "*Risk Factors*" actually occur, overall business, operating results and the financial condition of the Company could be materially and adversely affected. See "*Risk Factors*".

Summary of Financial Information

The Company's Selected Financial Information

The following is selected historical financial information of the Company. The Company was not operating an active business prior to June 30, 2022. The Company previously had a financial year end of December 31. Following the Transaction, which closed on September 28, 2022, and which was accounted for as a reverse-takeover, the Company financial year end changed to June 30, being that of Zefiro Methane. The information for the year ended June 30, 2023 includes Zefiro Methane and P&G.

The summary presented below contains selected financial information of the Company that is derived from, and should be read in conjunction with, the audited and interim financial statements of the Company and notes thereto, "*Consolidated Capitalization*" and Management's Discussion and Analysis that are included elsewhere in this Prospectus. All of the financial information presented below is prepared in accordance with International Financial Reporting Standards ("**IFRS**").

	For the year ended June 30, 2023 (audited)	For the six months ended June 30, 2022 ($) (unaudited)	For the year ended December 31, 2021 ($) (audited)
Total assets	US$22,677,552	37,883	38,816
Total liabilities	US$11,806,624	27,367	0
Shareholders' equity	US$10,870,928	10,516	38,816
Revenue	US$5,981,996	-	-
Net income (loss) and comprehensive income (loss)	(US$1,440,782)	(28,300)	(8,102)

To the date of this Prospectus, the Company has issued 61,257,000 Common Shares. Any cash proceeds of these issuances have been and will be used for general corporate purposes of the Company and as described in this Prospectus.

The Company has not declared or paid any dividends since incorporation and does not envisage declaring or paying any dividends until such time as it earns sufficient profits from which to declare a dividend.

See "*Selected Financial Information*".

Zefiro Methane's Selected Financial Information

The following is selected historical financial information of Zefiro Methane, which was incorporated on September 9, 2021. Zefiro Methane has a financial year ending June 30 and subsequent to its financial year end of June 30, 2022, on September 28, 2022, it was acquired by the Company.

The summary presented below contains selected financial information of Zefiro Methane that is derived from, and should be read in conjunction with, the audited financial statements of Zefiro Methane and notes thereto, and Management's Discussion and Analysis that are included elsewhere in this Prospectus. The selected financial information is also being presented in United States dollars, as this information is presented as the comparative year in the Company's audited financial statements for the years ended June 30, 2023 and 2022. All of the financial information presented below is prepared in accordance with IFRS.

	For the year ended June 30, 2022 (audited)	
Total assets	$1,315,380	US$1,020,210
Total liabilities	$98,741	US$76,584
Shareholders' equity	$1,216,639	US$943,626
Revenue	-	-
Net income (loss) and comprehensive income (loss)	($164,693)	(US$145,698)

P&G's Selected Financial Information

The following is selected historical financial information of P&G. The summary presented below contains selected financial information of P&G that is derived from, and should be read in conjunction with, the audited financial statements of P&G and notes thereto, and Management's Discussion and Analysis that are included elsewhere in this Prospectus. All of the financial information presented below is prepared in accordance with IFRS.

	For the three months ended March 31, 2023 (unaudited)	For the year ended December 31, 2022 (audited)	For the year ended December 31, 2021 (audited)
Total assets	US$13,654,432	US$12,452,905	US$9,097,811
Total liabilities	US$9,526,212	US$9,180,854	US$5,521,333
Shareholders' equity	US$4,128,220	US$3,272,051	US$3,576,478
Revenue	US$6,655,650	US$20,853,163	US$10,261,342
Net income (loss) and comprehensive income (loss)	US$856,169	(US$304,427)	US$516,726

The Offering

Issuer:	Zefiro Methane Corp.
Offering:	[●] Common Shares, representing approximately [●]% of the issued and outstanding Common Shares. ([●] Common Shares, representing approximately [●]% of the issued and outstanding Common Shares if the Over-Allotment Option is exercised in full).
Offering Price:	$[●] per Common Share.
Offering Size:	$3,000,000 ($3,450,000 if the Over-Allotment Option is exercised in full).
Offering Jurisdictions:	British Columbia, Alberta and Ontario.
Over-Allotment Option:	The Underwriters shall have the option, exercisable, in whole or in part, at any time for a period of 30 days following the Closing Date, to sell up to [●] Over-Allotment Shares (representing 15% of the aggregate number of Common Shares sold pursuant to the Offering) at the Offering Price, to cover over-allotments, if any, and for related market stabilization purposes. See "*Plan of Distribution*".
Share Capital and Shares Outstanding:	The authorized share capital of the Company consists of an unlimited number of Common Shares. The Company has 61,257,000 Common Shares issued and outstanding. Immediately following the completion of the Offering, an aggregate of [●] Common Shares will be issued and outstanding ([●] Common Shares if the Over-Allotment Option is exercised in full), excluding Common Shares that may be issued upon exercise of any outstanding stock options, warrants or other convertible securities issued by the Company. See "*Description of the Securities to be Distributed*".
Underwriters:	PI Financial Corp. Raymond James Ltd. Echelon Wealth Partners Inc.
Underwriters' Compensation:	Pursuant to the terms and conditions of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters' Commission equal to 6% of the aggregate gross proceeds realized from the sale of the Common Shares under the Offering. In addition, the Underwriters will also receive that number of Compensation Options equal to 6% of the aggregate number of Common Shares issued in the Offering, which will entitle the Underwriters to purchase one Common Share (referred to herein as a Compensation Share) at a price that is equal to the Offering Price for a period of 36 months from the Closing Date. The Company will also pay the Underwriters' expenses incurred in connection with the Offering. See "*Plan of Distribution*".
Proposed CSE Trading Symbol:	ZEFI.
Closing:	The closing of the Offering is expected to occur on or about [●], 2023, or such other date as the Company and the Underwriters may agree, provided that, the Common Shares are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of receipt for the final prospectus.

CORPORATE STRUCTURE

Name, Address and Incorporation

Caden Capital Corp. was incorporated under the *Business Corporations Act* (British Columbia) on March 7, 2018. It changed its name to "Zefiro Methane Corp." on September 28, 2022. Its registered and records office is located at Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC V6C 2B5. A Vancouver-based business address of the Company is pending occupancy, but has not been included in this Prospectus as such occupancy date has not been confirmed as of the date hereof.

Intercorporate Relationships

The Company has three wholly-owned subsidiaries, Zefiro Methane Operations Corp. ("**Zefiro Methane**"), Zefiro Methane LLC ("**Zefiro USA**"), Zefiro Methane Holding LLC ("**Zefiro Holding**") and one majority owned subsidiary, Plants & Goodwin, Inc. ("**P&G**").

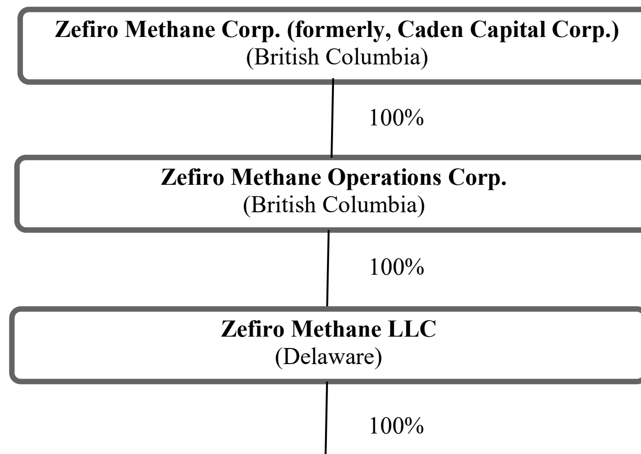
Zefiro Methane was incorporated under the *Business Corporations Act* (British Columbia) on September 9, 2021 under the name "1323578 BC Ltd.". 1323578 BC Ltd. changed its name to "Eleven Gold Corporation" on September 16, 2021. Eleven Gold Corp. changed its name to "Nil Carbon Corp." on February 28, 2022. Nil Carbon Corp. changed its name to "Zefiro Methane Corp." on March 21, 2022 and subsequently changed its name to "Zefiro Methane Operations Corp." on September 23, 2022. Zefiro Methane's registered and records office is located at Suite 600 – 1090 West Georgia Street, Vancouver, BC V6E 3V9.

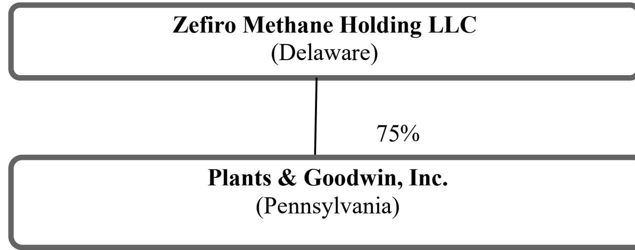
Zefiro USA was incorporated under the *Delaware Limited Liability Company Act* on May 26, 2022. Zefiro USA's registered office is located c/o Capitol Services, Inc., 108 Lakeland Ave., Dover, Kent County, Delaware 19901. The Company conducts its business in the United States through Zefiro USA, Zefiro Holding and P&G.

Zefiro Holding was incorporated under the *Delaware Limited Liability Company Act* on January 27, 2023. Zefiro Holding's registered office is located c/o Capitol Services, Inc., 108 Lakeland Ave., Dover, Kent County, Delaware 19901.

The Company owns 75% of the issued and outstanding capital stock of P&G which was acquired through the P&G Transaction (described elsewhere in this Prospectus). The business of P&G was founded as a partnership in 1970. Plants & Goodwin, Inc. was incorporated under the *Pennsylvania Business Corporation Law of 1988* on January 1, 1994 and the assets of the partnership (excluding real property) were transferred to P&G. P&G's registered office is located at 360 High Street, Bradford, PA, 16701.

The current organizational structure of the Company is as follows:





DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

Business Overview

The Company is in the business of providing end-of-life solutions for industrial oil and gas operations that currently or potentially emit harmful greenhouse gas (GHG) emissions, specifically methane released from orphaned and abandoned oil and gas wells or associated midstream assets. The Company seeks to generate carbon credits, which can then be sold into carbon credit markets, by reducing methane emissions through the plugging of orphaned and abandoned oil and gas wells. Under executive leadership that includes former members of the carbon market team at J.P. Morgan and experts from relevant industries, the Company actively deploys technologies and crews to identify projects with high prospects to generate carbon credits, and conducts environmental monitoring and implements best practices for well plugging. With unprecedented global demand for carbon offsets as corporations and institutions work towards net-zero targets, the Company is strategically aligning with industry leaders to increase supply of high-quality carbon reduction projects.

The business includes identifying and remediating highly polluting orphaned wells, deploying a suite of end-of-life solutions for owners of abandoned wells, and implementing best practices for all plugging and abandonment services. The Company has developed a pipeline of abandoned and orphaned well projects sourced from a network of oil field services firms, landmen, oil and gas operators and energy investors. These opportunities are in locations in the United States where wellbore characteristics, age of wells and methods of temporarily abandoning the wells predict that there is a propensity for them to leak methane.

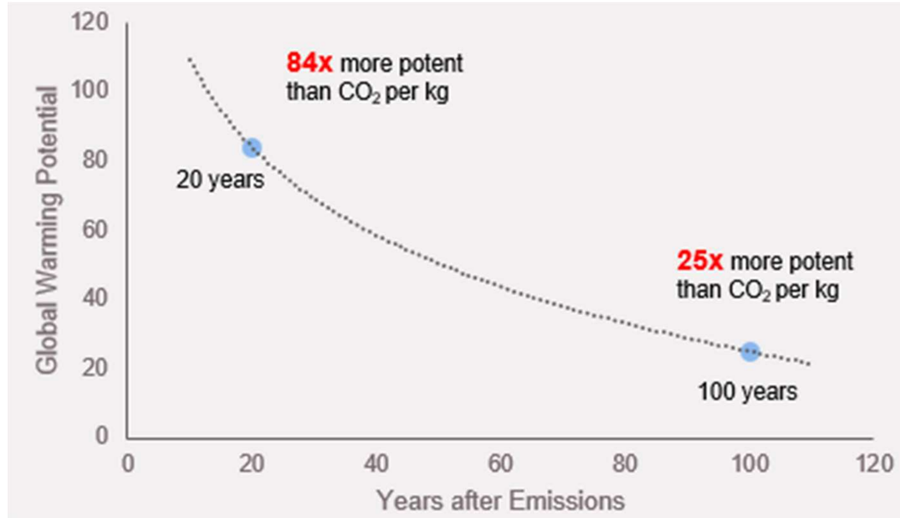
The Company is committed to addressing this highly significant environmental challenge while also achieving relevant United Nations' Sustainable Development Goals ("**SDGs**") in a well-documented and transparent manner. The commercial goal of the Company is to address the end-of-life oilfield challenge in a way that reduces costs and the environmental, social and corporate governance ("**ESG**") burden to corporations and communities while generating requisite investment returns for shareholders.

In conducting its business related to orphaned wells, the Company intends to implement and adopt the methodology (the "**ACR OOG Methodology**") entitled '*Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emission Reductions and Removals from Plugging Orphan Oil and Gas Wells in the U.S. and Canada'* of the American Carbon Registry ("**ACR**"). Version 1.0 of the ACR OOG Methodology was released in May 2023, and functions as a third-party registry. The Company intends to prepare its relevant pilot programs using the ACR OOG Methodology and to submit the offsets created under the pilot programs accordingly.

Industry Introduction

As they are no longer economically useful for production of minerals, orphaned and abandoned oil and gas wells must be plugged in accordance with the applicable legal, health and environmental regulations to prevent methane and chemical discharges. This involves removing a well's surface equipment and repairing/replacing leaks, casings and cracked cement. The process also involves removing debris from the hole drilled, a non-trivial process since oil and gas wells can be miles deep. The well is then plugged

by pouring cement plugs deep enough to prevent the well from leaking into water tables and to prevent methane discharges. Pouring a plug to a well can be an involved and uncertain process, especially since many older wells do not have proper records to determine the depth at which the plug should be set to effectively plug the well. Methane is amongst the worst emissions for its affects on climate change and is between 25 times to 84 times more potent that CO_2[1], as illustrated below:



"Orphan" wells are those which no longer have a financially viable owner with a responsibility to plug them. They are typically the responsibility of taxpayers via state programs. "Abandoned" wells do have a financially viable owner, but have been deemed to no longer be useful for the production of minerals. The owner of these wells is responsible for plugging.

According to Carbon Tracker, plugging all orphaned and abandoned wells in the U.S. as of their report[2] in September 2020 could cost US$280 billion. The bipartisan *Infrastructure Investment and Jobs Act* (United States) allocated US$4.7 billion for plugging orphaned wells, remediation and restoration activities, and many states have received grants via The Orphaned Wells Program Office of the United States Department of the Interior.

As of 2020, there were between 3.7 million and 5 million abandoned and orphaned oil and gas wells ("**AOOGs**") across 26 U.S. states.[3] This equates to an offset potential of between 280 million and 500 million tons of CO_2e.[4] The estimated cost to solve the problem of unfunded AOOGs is estimated to be between US$400 billion to US$600 billion[5], but current U.S. federal government funding covers only approximately 1% of this cost.[6] 90% of wells leak methane[7] and 20-30% of unplugged wells register significant leaks.[8] 14 million Americans live within a mile of a documented orphan well.[9]

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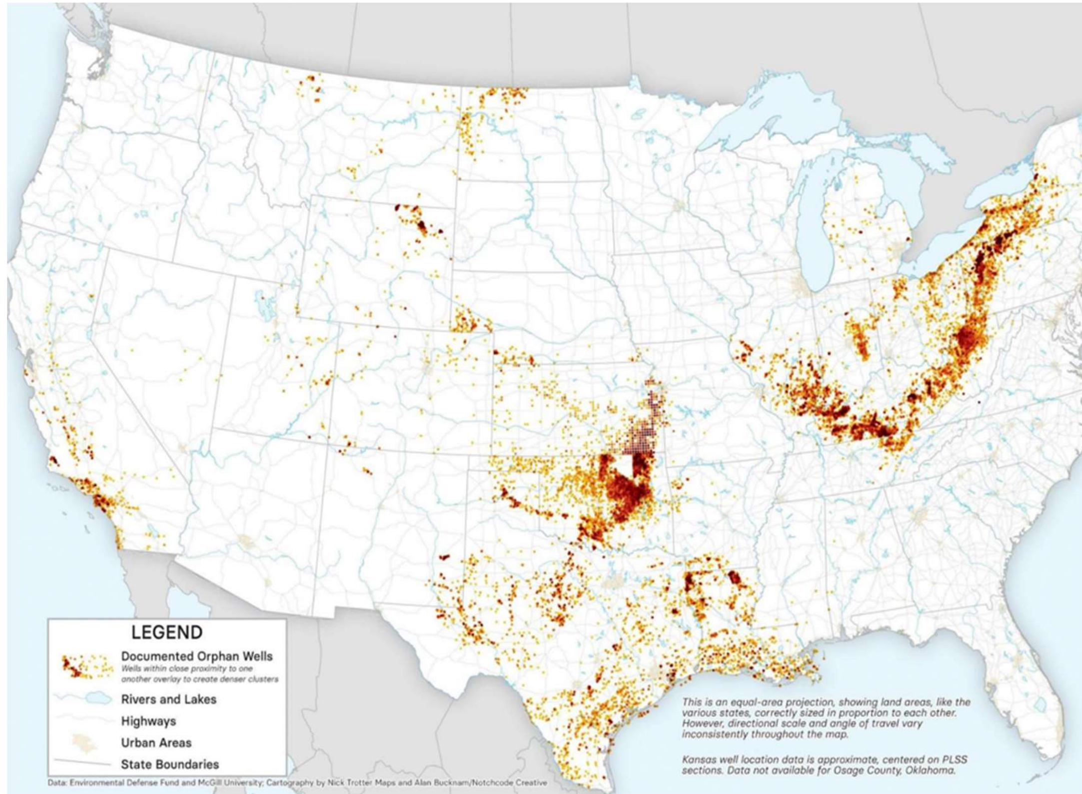
[1] IPCC (2006). Global Warming Potential is the relative greenhouse (warming) effect of Methane emissions over a given time horizon compared to CO2. The value declines over longer time periods as methane breaks down.
[2] See 'Billion Dollar Orphans' (2020) from the Carbon Tracker Initiative. Available at https://carbontracker.org/reports/billion-dollar-orphans/
[3] See US EPA (2022) "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020", Williams, Regehr and Kang (2021) "Methane Emissions from Abandoned Oil and Gas Wells in Canada and the United States". Range attributable to uncertainties in documented well inventories and the quality of historic well plugs.
[4] See https://www.epa.gov/sites/default/files/2018-04/documents/ghgemissions_abandoned_wells.pdf, https://americancarbonregistry.org/carbon-accounting/standards-methodologies/plugging-abandoned-orphaned-oil-and-gas-wells
[5] Cost can vary significantly with well depth, level of wellbore obstruction, location and age (see https://pubs.acs.org/doi/10.1021/acs.est.1c02234). For cost estimates see IOGCC https://iogcc.ok.gov/sites/g/files/gmc836/f/iogcc_idle_and_orphan_wells_2021_final_web.pdf, CTI https://carbontracker.org/reports/its-closing-time/ and CCST https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf. Estimate based on number of wells, plugging capacity, cost to plug and expected inflation (modelled at 2%).
[6] The *Bipartisan Infrastructure Law* (United States) allocated US$4.7 billion to plugging of AOOGs.

The following is a map of documented AOOGs across the United States:



An example of the risks posed by AOOGs was the gas leak at the Equitrans well in Pennsylvania that occurred in 2022. A 13-day release from an Equitrans storage well effectively erased the emissions gains from about 50% the EVs sold in the U.S. in 2022,[10] equal to 20,000 tons of methane or 1.5m tons of CO_2.[11]

The Company's Business Model

The Company operates within three business segments: (i) environmental monitoring, (ii) asset retirement, and (iii) carbon credits. Environmental monitoring is detecting and measuring methane leaks at oil and gas wells. Environmental monitoring revenue is generated when the Company's services are contracted to survey and measure wellhead emissions. Asset retirement is the plugging and abandonment of wells. Asset retirement revenue is generated when the Company's services are contracted for plugging and abandonment work. Carbon credits are created due to monitoring and asset retirement using the methodology issued by leading carbon credit registries, such as the American Carbon Registry. Carbon credit revenue is received when carbon credits are sold and delivered to a buyer. The Company offers its services both independently and as a package. All three business segments are complementary, though the environmental monitoring and asset retirement may not lead to carbon credits in all circumstances depending on the results of the detection and measurement of methane, with significant methane measurements being stronger candidates for the carbon credit submission process. The Company does not take ownership of wellbores for its projects, rather the

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[7] See Kang et al. (2016).
[8] Townsend-Small et al (2016); and Company internal data.
[9] See https://www.edf.org/orphanwellmap.
[10] See https://www.bloomberg.com/news/articles/2022-12-13/us-gas-leak-at-equitrans-well-in-pennsylvania-adds-climate-pressure.
[11] Using the 20-year global warming potential multiply of 84 times. The emissions from the leak were equivalent to the savings from 400,000 electric vehicles, 1.4 billion miles driven by a gasoline passenger vehicle, 68 billion smartphones charges or 9.3 million tree seedlings grown for 10 years. See https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results.

carbon rights may be transferred to the Company through contracts between the Company the property owner and other applicable parties. The only revenue generated to date is in the asset retirement segment, through P&G.

The total potential United States market sizes[12] of the Company's three business segments is: US$5.5 billion for environmental monitoring[13], US$400 billion for asset retirement[14], and 280 million tons for carbon credits.[15] The Company currently has annual revenues of less than 0.001% of the potential market size in each of these business segments. As such, these business segments provide the Company with a multi-billion dollar addressable market with diverse sources of sustainable revenue.[16]

The Company's recent acquisition of P&G, expands the Company's end-of-life well solutions in the asset retirement segment in the Appalachia Basin, provides additional equipment and resources in order to execute on the Company's existing business plan, by expanding the capacity for environmental monitoring (detecting and measuring) and brings to the Company vertically integrated solutions for plugging and abandonment operations, equipment, and resources for the Company to expand its climate technology operations in order to generate and monetize carbon credits in the future. P&G is familiar as a trusted third generation brand to the regulators in Pennsylvania and the other Appalachian states and has a pipeline of orphan wells across these State programs. Notably, it is currently the only operator contracted to plug wells under the New York state orphan well program and has secured revenues of US$16 million from the first tranche of orphaned wells in New York and has secured revenues from Pennsylvania's first tranche of orphaned wells.

The Company's strategic rationale for the P&G Transaction (described further under "*Company History*" below) was fivefold:

1. The P&G Transaction provides the Company with plugging and abandonment experience and expertise to fulfill its strategy to plug AOOGs to stop methane emissions. P&G provides these capabilities, enhancing and enabling the Company's asset retirement revenue.
2. The P&G Transaction provides the Company with the required manpower to scale up its methane detection and measurement efforts.
3. P&G brings oilfield cementing, heavy haul trucking, and site construction assets in conjunction with skilled equipment operators.
4. The P&G Transaction augments the Company's pipeline of AOOGs to test and plug for its carbon credits segment. P&G has recently won contracts with the Commonwealth of Pennsylvania to plug 37 orphaned wells and to plug 161 orphaned wells with from the State of New York.

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[12] Based on analysis of the low end of 3.7 million to 5 million orphan and abandoned wells in the United States (See U.S. Environmental Protection Agency (2022) "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2020", and Williams, Regehr and Kang (2021) "Methane Emissions from Abandoned Oil and Gas Wells in Canada and the United States". Range attributable to uncertainties in documented well inventories and the quality of historic well plugs.
[13] Environmental monitoring is a flat average one-off fee of US$1,500 per well.
[14] Asset retirement revenue is based on a US$45,000 per well fee with 2% inflation per annum and an initial national plugging capacity of 10,000 wells per year growing to a maximum of 75,000 wells per year. Asset retirement revenue can vary significantly due to the varied complexity of plugging jobs based on well depth, level of wellbore obstruction, location and age (see: https://pubs.acs.org/doi/10.1021/acs.est.1c02234). For estimates of the price of asset retirement see the following from the Interstate Oil and Gas Compact Commission:
https://iogcc.ok.gov/sites/g/files/gmc836/f/iogcc_idle_and_orphan_wells_2021_final_web.pdf, from the Carbon Tracker Initiative: https://carbontracker.org/reports/its-closing-time/, and from the California Council on Science & Technology: https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf.
[15] Carbon credit revenue is a function of an estimated average crediting period of 20 years, and the Environmental Protection Agency's estimated total annual orphan and abandoned well methane emissions (See https://www.epa.gov/sites/default/files/2018-04/documents/ghgemissions_abandoned_wells.pdf and
https://americancarbonregistry.org/carbon-accounting/standards-methodologies/plugging-abandoned-orphaned-oil-and-gas-wells).
[16] Sustainable revenue in this context means any revenue stream that addresses at least two of the United Nation Sustainable Development Goals ("SDGs"). Each of the Company's revenue streams seeks to address SDGs 6, 8 and 13 (Clean Water and Sanitation, Decent Work and Economic Growth, and Climate Action).

5. P&G can serve as a platform to grow the Company's reach and services capacity in the Appalachia region and elsewhere to address orphaned wells with government agencies and grow asset retirement revenues for the Company. At the same time, management of the Company believes that it can offset some acquisition costs by streamlining P&G's processes and increasing sales opportunities.

The executive team of P&G, helmed by Luke Plants, Chief Executive Officer, and Steve Plants, President, are highly experienced in the plug and abatement industry. Luke Plants is the leading plug and abatement expert in the Appalachia region. He possesses an MBA from Penn State University and is the third generation owner and manager of P&G. Luke Plants was formerly the Chief Operating Officer of P&G. Steve Plants has unparalleled expertise from his 40 years of experience in the plug and abatement industry with P&G. He is the second-generation owner and manager of P&G.

While plugging and abandonment providers like P&G excel at plugging oil and gas wells, the broader industry's monetization of carbon credits is still in its infancy, and the development and operation of the Company's business aims to bridge this gap. In doing so, the Company will help answer the problem of unfunded well-plugging liabilities and move the upstream energy section towards net-zero.

Pennsylvania's Department of Environmental Protection has documented 25,000 abandoned wells and only 3,000 plugged wells, with estimates of undocumented wells running to many multiples higher. As of the date of this Prospectus, under the Oil & Gas *Infrastructure Investment and Jobs Act* (United States) funding allocated to Pennsylvania, 33 wells have been plugged, 156 are under contract, and 38 are undergoing contract bids, providing the Company a large and readily accessible opportunity to scale business, revenues, and carbon credit generation/monetization.

Environmental Monitoring

Environmental monitoring is detecting and measuring methane leaks at oil and gas wells. Environmental monitoring revenue is generated when the Company's services are contracted to survey and measure wellhead emissions. The Company uses an RMLD for leak detection and a SEMTECH Hi-Flow 2 for methane quantification.

The Company provides a paid-for technology-based service, using either internal personnel or external consultants, to survey wells for methane leaks and use its methodology to quantify the amount of methane that is leaking. For methane detection and quantification, the Company uses a Remote Methane Leak Detector – Complete Solution to survey wells. Once a minimum level of methane is detected (presently 300 parts per million per the Company's internal threshold), the Company quantifies the amount of methane leaking through a Semtech Hi-FLOW 2 leak quantification instrument. The Company's process has already been deployed across a number of projects and geographies, with success in detection and quantification of significant leaks. The following are images of equipment used by the Company to conduct environmental monitoring:

In addition to providing environmental monitoring as a revenue generating contracted service, the Company also conducts environmental monitoring on its own projects.

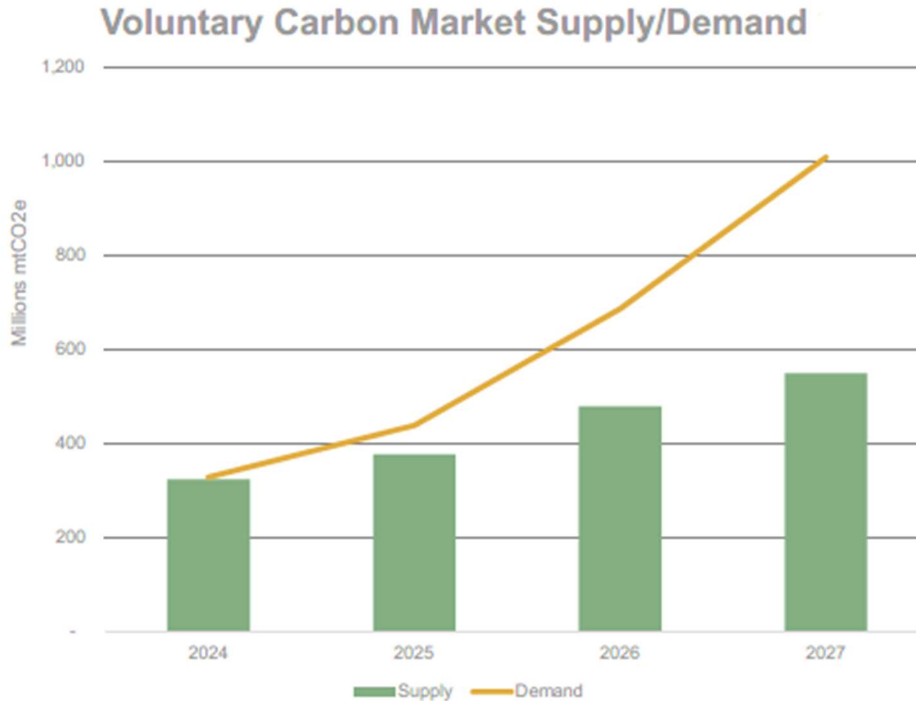
Asset Retirement

The Company charges wellbore owners a fee for plugging wells and remediating the surrounding surface area, commonly known as abandonment. To provide this abandonment service, the Company and its oil field service provider partners utilize service rigs, cementing services, assets for pad construction and reclamation, waste hauling equipment, mud pumps, blowout preventers, and other control equipment. The Company's service partners provide these in addition to specialized personnel. The Company will use the services of P&G in the Appalachian region where P&G operates, unless P&G does not have capacity or there is a regulatory or contractual requirement to use a different service provider.

The Company not only gained plugging specialists and assets through the P&G Transaction but also a specific, key level of understanding of decommissioning wells in the Appalachia region. Plugging Appalachian wells can be more expensive due to the challenges of hauling equipment across mountainous terrains, the shifting of bodies of water over time, as many Appalachian wells were drilled in the 1800s, inclement weather, wet and snowy ground conditions, cave-ins caused by well casing erosion, downhole obstructions, infrastructure (power cables, buildings, roads) built around and atop abandoned wells, and difficulties navigating the stakeholder network. To overcome these challenges, P&G utilizes a variety of mobile service rigs to maneuver onto well locations where access is highly restricted while also deploying larger rigs capable of reaching the longest laterals in depleted shale gas wells. P&G is able to design, test, and blend any cement slurry to adapt to variations in formation depths, temperatures, pressures and porosities. Additionally, it can construct and reclaim well pads, manage and dispose of waste streams created through plugging operations, and deploy downhole tools for fishing and milling activities. See "*Risk Factors – Operating Risks*".

Carbon Credits

Following the detection and measurement activity, if a well is determined to have significant methane, it may thereafter have the full carbon credit process executed on it, using the ACR OOG Methodology (if it is an orphaned well). First and second measurements are taken and, if confirmed to meet the Company's project criteria, the well is ultimately plugged (or retired). Third measurements are taken to ensure emissions have been abated from a baseline. The environmental monitoring establishes the baseline level of emissions in a given project. Finally, the Company determines (through a process verified by third parties) the carbon dioxide emissions equivalent in tons to be sold to the carbon markets as offsets. Under this process, Carbonomics LLC, the Company's strategic partner, as instructed by the Company's Chief Commercial Officer and Head of Operations, creates a project design document. An independent environmental engineering and consulting firm is used for carbon credit validation and verification. Once the carbon credits are validated and verified, they can be listed onto a registry and sold to buyers. Typically, this will involve transferring the credits to a buyer according to a previously agreed delivery and payment schedule. Once methodologies for generating, verifying and selling carbon credits for abandoned wells are developed (which are anticipated to be similar to the ACR OOG Methodology), the Company will seek to adopt and implement such methodologies. The carbon credits generated by the Company will cover a small portion of the high-quality offsets required to bridge the growing gap between the demand and supply of carbon credits. The Company believes with the market supply shortfall set to grow, the Company's carbon offsets are poised to become a significant component of the industrial emission market.



Note:

Trove Research (2022). Supply is the total risk-adjusted issuance from known projects. Demand is total tons required from voluntary sources.

See “*Industry Overview*” below for more details on the industry and the carbon credit process.

Project Pipeline

The Company has built a pipeline of AOOGs sourced from a network of oil field services firms, landmen, oil and gas operators and energy investors. These opportunities are in locations in the United States where wellbore characteristics, age of wells and methods of temporarily abandoning the wells predict that there is propensity for them to leak methane. The pipeline of projects is managed to focus on wells that demonstrate the Company’s process and unit economics. Thereafter, the Company will build out scaled opportunities to address the hundreds of thousands AOOGs across major oil and gas producing regions in the US. It is expected that project types and methodologies will continue to evolve over the coming decades as they have done historically.

Project Burnaby is the Company’s first project to demonstrate operational capability in respect of its business model and part of the Company’s calibration pilot program executing on the Company’s orphaned and abandoned well approach. This project established the Company’s operational capability and proof of execution in a US domestic basin, the TX-LA-MS Salt Basin. It covers an abandoned well located in northern Louisiana. Pursuant to a memorandum of understanding and Services & Carbon Credit Agreement between Zefiro USA and Mineral Ventures Inc., a field operator, dated June 30, 2022 and February 9, 2023, respectively (the “**Burnaby Pilot Program Agreements**”), the Burnaby Pilot Program Agreements have an indefinite term subject to termination provisions. The project was successful in allowing for the testing and development of the Company’s operational capability, and may in future be used to generate carbon credits (once a methodology for abandoned wells has been released).

Project Armstrong is an orphaned well project working with the Pennsylvania Department of Environmental Protection on an orphaned well located in northern Pennsylvania. The Company, through

Zefiro USA, has entered into two surface access and land use agreements with the respective surface owners, each agreement dated June 29, 2022 (collectively, the "**Armstrong Pilot Program Agreements**"). The respective surface owner may terminate each Armstrong Pilot Program Agreement if testing or operations on the property has not commenced within 18 months of the agreement date. Under the Armstrong Pilot Program Agreements, the Company must pay all costs associated with plugging the orphaned well. This project establishes the Company's operations in another U.S. domestic basin, the Appalachian Basin, which has now been expanded with the acquisition of P&G. Further agreements are needed to establish operating rights with the Pennsylvania Department of Environmental Protection in order to conduct plugging and abandonment operations on the well (i.e., asset retirement). The Company is in the process of finalizing the remaining commercial agreements surrounding Project Armstrong; however, it is pausing its activities in respect of Project Armstrong while it considers the larger opportunities now available to it since the acquisition of P&G. There is no certainty that these commercial agreements will be finalized and entered into.

Projects in the pipeline typically consist of the following the following stages or steps:

- Site Access Agreement
  - Site access is secured.
- Initial Evaluation
  - Background research, binary detection assessment and prioritization quantification are carried out.
- Commercial Agreement Negotiation
  - Commercial terms being agreed.
- Committed Under Agreement
  - Project exclusivity is secured.
- Quantification
  - Quantification readings to determine the flow rate of methane leaks.
- Plugging and Abandonment
  - Plugging and abandonment work is carried out.
- Documentation
  - Required documentation (such as project design documentation) is created and verification and validation are carried out.
- Finalized
  - All project steps are complete.

Projects will typically follow these steps in order, though there may be exceptions due to differing project specifications. Exceptions in the pipeline below are noted.

As of the date of this Prospectus, the Company has the following AOOGs in its pipeline:

Project	**Location**	**Stage**	**No. of Orphan Wells**	**No. of Abandoned Wells**	**No. of Methane Leaking wells**
Armstrong	PA, USA	Committed Under Agreement(1)	1	0	1
Burnaby	LA, USA	Plugging & Abatement(2)	0	4	3
Colwood	MS, USA	Initial Evaluation	0	195	Unknown
Delta	PA, USA	Plugging and Abatement	37	0	8
Drake	PA, USA	Quantification	3	0	3

Project	Location	Stage	No. of Orphan Wells	No. of Abandoned Wells	No. of Methane Leaking wells
Fernie	NY, USA	Committed Under Agreement(3)	161	0	Unknown
Ladysmith	TX, USA	Commercial Agreement Negotiations	0	14	8
Merritt	NY and WV, USA	Initial Evaluation	0	43	Unknown
Oliver	WY, USA	Initial Evaluation	0	20	Unknown
Princeton	Multiple states, USA	Initial Evaluation	0	106	Unknown
Richmond	LA and MS, USA	Initial Evaluation	0	3	Unknown
Salmon Arm	Multiple states, USA	Initial Evaluation	0	100	Unknown
Terrace	Multiple states, USA	Initial Evaluation	0	50	Unknown
Existing P&G Projects	NY and PA, USA	Committed Under Agreement(4)	75	10	Unknown

Notes:

(1) The Armstrong Pilot Program Agreements are surface access and land use agreements.
(2) Project Burnaby is considered an operational capability pilot and is currently on “pause”. It may be available to generate carbon credits in the future, but given the additional exposure to other opportunities the Company has achieved with its acquisition of P&G, the Company is pausing on this project.
(3) Initial evaluations are yet to be finalized.
(4) Initial evaluations are yet to be finalized.

On May 8, 2023, in a first-of-its-kind transaction, the Company presold tens of thousands of emission reduction tons (“**ERT**”) of its methane emissions offset portfolio to Mercuria Energy America LLC (“**Mercuria**”), the United States-based division of one of the world’s largest independent energy and commodities groups, with over US$150 billion in revenue. The contract was made in the form of an International Swaps and Derivatives Association (ISDA) template. The sale was on a unit contingent basis in which the Company will be excused from any failure to deliver due to the inability to generate the amount necessary to satisfy its obligation. The sale contains a special provision which provides Mercuria with the option, but not obligation, to sell the ERTs back to the Company. This option will expire 181 days after the final delivery date, which is no later than four months after the final methodology receipt of verified carbon credits resulting from plugging AOOG by the Company is released by the American Carbon Registry. The transaction has helped define the emerging market for methane emission offsets accredited via plugging AOOGs.

The Company is engaged in ongoing preliminary discussions with multiple government agencies and departments (including the Pennsylvania Department of Environmental Protection, the New York Department of Environmental Conservation, the Ohio Department of Natural Resources and the Saskatchewan Ministry of Energy and Resources) regarding several collaboration possibilities. These jurisdictions have upwards of 45,000 documented orphan wells. There is potential for the Company to offer environmental monitoring and data mapping (detection and qualification), asset retirement, plugging project design and landmen well sourcing, among other services.

Company History

Results of Operations

During the year ended June 30, 2023, the Company incurred a net loss and comprehensive loss of US$1,440,782 and as at June 30, 2023, had an accumulated deficit of US$1,999,261. The Company has not generated cash inflows from operations.

During the six months ended June 30, 2022, the Company incurred a net loss and comprehensive loss of $28,300 (six months ended June 30, 2021 - $3,072) and as at June 30, 2022, had an accumulated deficit of $101,284 (December 31, 2021 - $72,984).

During the year ended December 31, 2021, the Company incurred a net loss and comprehensive loss of $8,102 (year ended December 31, 2020 - $2,021) and as at December 31, 2021, had an accumulated deficit of $72,984 (December 31, 2020 - $64,882).

The Company previously had a financial year end of December 31. Following the Transaction (as defined herein), the Company changed its financial year end to June 30 to align with the financial year end of Zefiro Methane.

Financings

In August of 2022, the Company completed a non-brokered private placement consisting of three tranches (the "**August Private Placement**"). The Company offered units ("**Units**", and each a "**Unit**") at a price of $0.50 per Unit, with each Unit comprised of one Common Share and one-half of a Common Share purchase warrant (each whole, a "**Warrant**"). Each Warrant is exercisable into one Common Share for a period of two years at an exercise price of $0.75. The Warrants are subject to an accelerated expiry date, if the Company's Common Shares are then trading and trade at greater than $1.25 per Common Share for a period of 10 consecutive trading days (the "**August Private Placement Acceleration Event**"), the Company shall be entitled, at its sole option, to give notice to the holders of its intention to accelerate the expiry date of the Warrants to a date that is not less than 30 days following the delivery of such notice (an "**Accelerated Expiry Date**"), following which the holders will have until the Accelerated Expiry Date to exercise the Warrants, failing which the Warrants will automatically expire. Notice of the August Private Placement Acceleration Event by way of a news release disseminated by the Company will be considered adequate notice of the August Private Placement Acceleration Event.

Under the August Private Placement the Company issued an aggregate of 12,000,000 Units at an aggregate price of $6,000,000, which consisted of 12,000,000 Common Shares and 6,000,000 Warrants. The first tranche closed on August 11, 2022, where the Company issued 2,090,000 Units. The second tranche closed on August 19, 2022, where the Company issued 6,757,600 Units. The third tranche closed on August 24, 2022, where the Company issued 3,152,400 Units.

On May 29, 2023, the Company completed a non-brokered private placement (the "**May Private Placement**"). The Company offered Units at a price of $1.00 per Unit, with each Unit comprised of one Common Share and one-half of a Warrant. Each whole Warrant is exercisable into one Common Share for a period of two years at an exercise price of $1.50. The Warrants are subject to an Accelerated Expiry Date, if the Company's Common Shares are then trading and trade at greater than $2.00 per Common Share for a period of 10 consecutive trading days (the "**May Private Placement Acceleration Event**"), the Company shall be entitled, at its sole option, to give notice to the holders of its intention to accelerate the expiry date of the Warrants to an Accelerated Expiry Date (being a date that is not less than 30 days following the delivery of such notice), following which the holders will have until the Accelerated Expiry Date to exercise the Warrants, failing which the Warrants will automatically expire. Notice of the May Private Placement Acceleration Event by way of a news release disseminated by the Company will be considered adequate notice of the May Private Placement Acceleration Event.

Under the May Private Placement, the Company issued 2,785,000 Units at an aggregate price of $2,785,000, which consisted of 2,785,000 Common Shares and 1,392,500 Warrants.

Acquisition of Zefiro Methane

On September 16, 2022, the Company entered into a securities exchange agreement with the shareholders and warrantholders of Zefiro Methane (the "**Securities Exchange Agreement**"), whereby the Company purchased all of the issued and outstanding shares and warrants of Zefiro Methane. The transaction resulted in Zefiro Methane becoming a wholly-owned subsidiary of the Company effective September 28, 2022 (the "**Transaction**"). Pursuant to the Securities Exchange Agreement, the Company purchased and acquired all of the issued and outstanding shares of Zefiro Methane in consideration for the issuance of 41,000,000 Common Shares to the Zefiro Methane shareholders and 12,000,000 share purchase warrants (the "**Consideration Warrants**") to the Zefiro Methane warrantholders. The 12,000,000 Consideration Warrants had terms as follows: each Consideration Warrant is exercisable for one Common Share at an exercise price of $0.10 per Common Share until April 4, 2027. The Transaction, at the time, constituted a reverse takeover ("**RTO**") of the Company by Zefiro Methane. The Transaction is not a "related party transaction" within the meaning under the International Accounting Standards 24 – *Related Party Disclosures*.

P&G Transaction

Pursuant to a stock purchase agreement dated February 24, 2023 (the "**Stock Purchase Agreement**") between Zefiro Holding, Zefiro Methane USA, P&G and Stephen D. Plants (the "**Seller**"), the Company through Zefiro Holding purchased 75% of the issued and outstanding capital stock of P&G, equal to 225 common shares (the "**Purchased P&G Shares**") from the Seller in a transaction that closed on May 12, 2023 (the "**P&G Transaction**"). The Seller was arms' length to Zefiro Holding and Zefiro Methane USA. The Stock Purchase Agreement contained various representations, warranties and covenants of the parties to the P&G Transaction. The P&G Transaction was not a "related party transaction" under International Accounting Standard 24 – *Related Party Disclosures*.

Pursuant to the Stock Purchase Agreement, the aggregate purchase price payable to the Seller for the Purchased P&G Shares was US$5,325,000 (the "**Purchase Price**"), satisfied as follows on closing:

(a) an initial cash payment to the Seller in the amount of US$3,325,000 (paid on May 12, 2023); and

(b) a promissory note with an outstanding principal amount of US$2,000,000 (the "**Note**"), issued by Zefiro Holding. The outstanding principal amount of the Note is subject to certain potential reductions in accordance with the terms of the Note itself and the Stock Purchase Agreement. The outstanding amount payable under the Note bears interest, compounding monthly, at a rate equal to 6% per annum. The outstanding amount payable under the Note is due no later than May 12, 2025 but may become due sooner upon the occurrence of certain P&G change of control events (including a sale of all or substantially all of the assets or capital stock of P&G or under certain circumstances in a reorganization of P&G) or events of default by Zefiro Holding, as described in the Note.

Zefiro Holding has also provided a pledge agreement (the "**Pledge Agreement**") to the Seller, under which Zefiro Holding has pledged 86.5 Purchased P&G Shares (the "**Pledged Shares**") to the Seller to secure Zefiro Holding's obligations under the Note.

As part of the closing of the P&G transaction, the Company (through Zefiro Holding) loaned US$1,000,000 to P&G to repay the remaining portion of a Small Business Administration loan that P&G had outstanding. The loan accrues interest at a rate 8% per year that is payable monthly. As of the date of this Prospectus, P&G has repaid US$200,000 to the Company and US$800,000 remains outstanding. The balance of the loan is due on the maturity date of June 1, 2025. P&G is permitted to make prepayment of the loan at its discretion.

Additionally, Zefiro Holding entered into an option and purchase agreement (the "**Option and Purchase Agreement**") dated May 12, 2023 with Luke J. Plants (the remaining stockholder of P&G) for the option to purchase a further 5% of the stock of P&G (15 shares), that expires on May 12, 2024. The purchase price for this additional stock in P&G has escalating prices that start at US$375,000 and increase to US$420,000 at the end of the option exercise period. See *"Significant Acquisitions".*

Zefiro Methane History

Zefiro Methane was incorporated under the *Business Corporations Act* (British Columbia) on September 9, 2021. In March 2022, X Machina Sustainable Technologies Inc. ("**XMST**") made an initial investment of $65,000 in Zefiro Methane, followed by additional seed capital investments by XMST and other seed shareholders in April 2022. XMST brings oil and gas operating, energy finance, carbon credit, commodity market and clean technology skills to identify and remediate AOOGs. In May 2022, a management team was formed under Curt Hopkins, a sustainable technology CEO, and a board of directors led by Talal Debs, energy investor, and Catherine Flax, commodities executive, both whom have experience in their previous executive leadership positions at JP Morgan in carbon credit markets. Also in May 2022, Tina Reine joined the team as Chief Commercial Officer. Tina has 15 years of experience in carbon markets. In June 2022, Matthew Brooks joined the team as Head of Operations. Matthew has experience as a leader in acquisitions and divestitures and previously headed up the landman group at an upstream oil and gas exploration and production company. He is also an attorney. In August 2022, Jeffrey Frase became President of Corporate Development. Jeffrey has decades of experience as an oil and gas commodities executive.

Zefiro Methane was acquired by the Company on September 28, 2022.

P&G History

P&G has been an oil and gas field services business operating in the Northeast US since 1970. It is a provider of turnkey solutions for onshore natural gas exploration and production in the Marcellus and Utica Shale plays. P&G provides vertically integrated solutions for plug and abandonment operations, upstream workover, well completions and cementing services.

P&G's primary revenue streams include rig services, cementing, transportation, hauling and construction. P&G provides services based on purchase orders or through competitive bidding. Generally, services performed pursuant to purchase orders are provided on day rates or on an hourly basis. Services awarded through a competitive bidding process are typically fixed fee and provide for progress billings on an agreed upon basis. Certain purchase orders and customer contracts can include termination penalties which are reordered in the period in which the customer invoices the termination provision. Fixed fee agreements are accounted for on the percentage of completion method.

Service Rig Services

Activities associated with the utilization of an oilfield workover unit in support of well completions, maintenance, and abandonment. All third party rental equipment and subcontractor services are passed through this category on a cost plus markup basis.

Cementing Services

Activities associated with the receiving, storage, blending, transportation, mixing, and pumping of oilfield cement slurry for new well development, remediation, and abandonment.

Transportation Services

Activities consisting of loading, moving, and unloading oilfield cargo in support of service rig, cementing, or construction services. Transported cargo includes but is not limited to tanks, skid pumps, tubulars, crew trailers, fresh water, construction and demolition waste, and contaminated soils.

Construction Services

Activities consisting of site preparation and reclamation in support of plug and abandonment operations. This includes but is not limited to placing stone or wetland mats for access roads, removal of surface equipment, finish grading, and seeding/mulching.

Hauling Services

Activities associated with picking up crude oil from local producers' tanks and delivering it to the American Refining Group facility in Bradford, PA. This service was discontinued in November 2022.

P&G an increase in revenue recognized during the year ended December 31, 2022 of over 100% when compared to the previous year. While P&G experienced an increase across all revenue streams during 2022, an increase of 131% in service rig services revenue represented a significant portion of the overall increase in revenues. This increase was primarily attributable to the acquisition of two 600-series service rig packages which increased P&G's capacity to meet new demand for shale gas services by 33%. Additionally, P&G was awarded a large Marcellus plug & abandonment contract in 2022 from a new customer. To support the new demand in shale gas services, P&G experience an increase of over 100% in their cost of revenues mostly drive by additional direct labour costs.

During the years ended December 31, 2021 and 2020, P&G experienced a slowdown in business due to the COVID-19 pandemic and depressed energy pricing. During this time period P&G was able to utilize certain governmental relief programs (i.e. Paycheck Protection Program, U.S. Business Administration Economic Disaster Loans) to help manage cash flows.

During 2023, P&G continues to experience higher service rig revenue due to the additional capacity acquired during 2022. See "*Description and General Development of the Business – Business Overview – The Company's Business Model*" for more information.

75% of the outstanding shares of P&G were acquired by the Company on on May 12, 2023.

Specialized Skill and Knowledge

The Company's business requires professionals with skills and knowledge in diverse fields of expertise. The management team and the board of directors include experts in the fields of carbon reduction projects, carbon credit trading, diverse financial structuring, commodities markets, sustainability, conservation, academia, accounting, law and corporate finance who have extensive relationships and networks in their respective fields. The Company utilizes the expertise of its management team which has experience leading, sourcing, managing and financing capital investments across markets and specifically within the carbon and environmental market ecosystem. As the carbon markets continue to grow and evolve and the Company implements its development strategy, the Company will continue to rely on its personnel. See "*Directors and Officers*" for further description of the Company's management team and board of directors. See "*Risk Factors*" for additional description of, among others, the risks relating to reliance upon key personnel for end-of-life oilfield solution projects.

The Company has retained Carbonomics LLC ("**Carbonomics**"), a leading carbon markets consultant, pursuant to a consulting agreement between Zefiro USA and Carbonomics dated June 8, 2022 (the "**Carbonomics Agreement**"). Carbonomics provides specific advice and deliverables relating to specific end-of-life oilfield solution projects. It determines how projects generate carbon offsets and advises the Company through project inception to annual verification. Carbonomics is paid a flat fee of $2,950 per month. In addition, Zefiro USA and Carbonomics LLC are parties to an additional consulting agreement dated January 5, 2023 (the "**Carbonomics PDD Agreement**") pursuant to which Carbonomics prepared and delivered a project design document template for orphan well plugging under the ACR OOG Methodology which can be modified for individual projects. The Company paid Carbonomics following satisfactory delivery of the final project design template, which the Company continues to use and modify as needed for particular projects. No further amounts are due and owing to Carbonomics under the Carbonomics PDD Agreement.

P&G's management team brings extensive knowledge about plugging wells that were abandoned, in some cases, for many decades. At the core of P&G's well methodology is risk mitigation, largely in through trained project supervisors capable of making sound decisions. Part of their capability stems from analyzing each well's characteristics – wellhead integrity, depth, casing integrity, erosion, legacy drilling techniques, pressure, hydrostatics, reservoirs and how they react to well control fluids, for example – and determining the best course of action to get to the bottom of the well or as close to the bottom as feasible. P&G not only relies upon its multi-generational knowledge of the Appalachian energy industry but also engage local experts whenever necessary, especially if no well records exist. Once a project commences, P&G reviews the project's status at least every 24 hours to assess potential changes to risks, costs, whether an alternative course of action is required.

Competitive Conditions

The Company will compete with other organizations, companies, non-profits, governments, asset managers and individuals that are buyers of carbon credits, or rights to or interest in carbon credits. There is also a move in the industry to seek other ways to govern AOOG methodologies outside of the traditional registries. There is currently a limited supply of carbon credits, projects to generate future carbon credits and investment opportunities in carbon credits. Many of the Company's competitors are larger, more established companies with substantial financial resources, operational capabilities and long track-records in carbon markets. Carbon Streaming Corp. is a British Columbia company that has been listed on the Cboe exchange (formerly the NEO) since July 2021. That corporation is larger, with greater financial resources, and although its business model is different from the Company's business model, it is active in the acquisition and sale of carbon credits, and developing projects that are eligible for carbon credits. The Company may be at a competitive disadvantage in carbon credit generation and investing in carbon projects, acquiring carbon credits or interests in carbon credits, whether by way of purchases in carbon markets or other forms of investment, as many competitors have greater financial resources and technical staffs. Further, the Company has plugging and abandonment competitors in the Appalachian Basin including many smaller independent firms and several companies of similar size to P&G. Competitors include, but are not limited to, the following: WPS Environmental, NextLVL Energy, Hydrocarbon Well Services and Axis Energy Services.

Markets and Marketing

The Company focuses its efforts on the Voluntary Carbon Market and anticipates selling carbon credits received from end-of-life oilfield solution projects into the Voluntary Carbon Market. The Voluntary Carbon Market and the broader carbon market are continuously evolving and are highly speculative and volatile. See the description under the heading "*Industry Overview*" for further details regarding carbon markets as well the discussion of numerous carbon market and carbon credit related risks under the heading "*Risk Factors*" below. Other than with respect to standard shareholder, capital markets and investor relations initiatives, the Company conducts marketing activities specifically targeted toward landowners, companies who own wellheads, and U.S. states with orphaned well initiatives.

Cycles

Depending on the stage of the project, certain of the Company's projects and future projects may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, hostile climates, snow conditions, frozen ground, weather restricted project access or other weather-related factors that affect plugging operations. Carbon reduction projects produce a varying amount of carbon credits depending on the particular project type, stage and lifecycle. See the discussion under the heading "*Risk Factors – Validation, Registration, Verification, Cancellation and Other Risks Associated with Carbon Credits*".

Intangible Property

At the time of this Prospectus, the Company's business is not substantially dependent on the protection of any proprietary rights or technologies. On June 30, 2022, the Company made one patent application with

the United States Patent and Trademark Office titled "Sustainable Development Goals for Carbon Credits Methods and Devices". The inventor is Talal Debs, the Company's Founder and Executive Chairman. As at the date of this Prospectus, the Company has not received any updates respecting the status of the patent application, which remains in process. The Company is in the process of preparing several additional patent applications that will cover devices for detecting gas leaks in orphaned or abandoned wells; distributed database system for managing sustainable development goals for carbon credits; and monitoring remnant contaminants in groundwater and water tables in close proximity to oil wells. In addition, the Company has filed for U.S. federal trademark protection for "Zefiro", "Zefiro Methane", "Environmental Attributes" and "SDG Points".

Economic Dependence

As discussed above, the Company will depend upon the evolution of carbon markets including Voluntary Carbon Markets and the end-of-life oilfield solutions market.

Environmental Protection

The field operations of the Company's projects will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. As projects advance in their lifecycle, more time and funding will be required in satisfying environmental protection requirements. See the discussion under the heading "*Risk Factors - Expenditures and Liabilities from Health and Safety and Environmental Laws and Regulations*".

Employees

As of the date of this Prospectus, the Company, excluding P&G, has 9 employees, including the Company's in-house marketing and carbon credit research and analytics team. This team is led by Tina Reine, the Company's Chief Commercial Officer, who is assisted by a commercial analyst specializing in carbon markets and by a communications strategist on the marketing side. The Company also contracts with a number of consultants, including Carbonomics (as discussed under "Specialized Skill and Knowledge"), to assist with various aspects of the administration of its business. P&G currently has approximately 100 employees. The number of employees is expected to fluctuate between 75-110 depending on the season.

Foreign Operations

The Company only operates in Canada and the United States at the present time.

Lending

The Company is not in lending business and does not currently lend to other parties. The Company did loan US$1,000,000 to P&G on closing of the P&G Transaction to enable P&G to repay a Small Business Administration loan as disclosed elsewhere in this Prospectus. See "*Description and General Development of the Business – Company History - P&G Transaction*".

Bankruptcy and Similar Procedures

There are no bankruptcies, receiverships, or similar proceedings against the Company or any of its subsidiaries, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by the Company, nor any of its subsidiaries, since their respective dates of incorporation, or in respect of P&G, in its last two completed financial years or during the current year.

Reorganization

Other than pursuant to the RTO, neither the Company nor any subsidiaries have completed any reorganizations or restructuring transactions since their respective incorporations since their respective dates of incorporation, or in respect of P&G, in its last two completed financial years or during the current financial year.

Social or Environmental Policies

The Company's business is specifically focused on the ESG economy through the development of end-of-life oilfield solution projects. The Company's goal is to combat global greenhouse gas emissions while conducting its business in a socially, environmentally and ethically responsible manner. The Company recognizes the importance of a strong ESG framework to support this goal. In addition to a Code of Business Conduct and Ethics (the "**Code**"), the Company has adopted an Environmental, Social and Corporate Governance Policy (the "**ESG Policy**") that is fundamental to all business decisions and conduct of operations. The Company believes this Code and ESG Policy will help to improve its credibility, industry leadership, environmental impact and relationship with key stakeholders, including its employees, service providers and the communities in the vicinity of its operations. The three pillars of the Company's ESG Policy revolve around its adherence to environmental, social, and corporate governance aspects, as described below.

Environmental: The Company's business is focused on developing end-of-life oilfield solution projects to reduce global greenhouse gas emissions. However, the Company is also concerned with broader environmental degradation issues and concepts including resource depletion, water quality, pollution and waste. As such, the conduct of all business activities will be assessed from a broad environmental perspective including the Company's energy usage and the conservation and sustainability of resources. The Company evaluates, on an ongoing basis, environmental risks and conservation initiatives that it may face and how the Company is managing those risks.

Social & Diversity: The Company ensures that all employees and executives regardless of position in the Company, are aware and compliant with all aspects of human capital management. These include and are not limited to; preservation and avoidance of any complicity in human rights abuses, equality, diversity amongst employees, non-discriminatory employment practices, and ensuring there is no exploitation of labour or indentured servitude in working conditions. In addition, adherence and cognizance of the impact of the Company endeavors on social communities, health and safety. To be engaged, the Company needs to ensure that its employees and management feel included and valued. This creates a deep sense of pride, passion, and belonging. The Company knows and understands that different experience, ideas, backgrounds, and perspectives, create a superior work environment for the Company and the global business communities its serves.

Governance: There are a broad spectrum of considerations in regard to governance, including but not limited to: the ongoing commitment to regulatory compliance and corporate hygiene; executive pay, transparency, corruption avoidance, as well as political lobbying. The Company needs to demonstrate and adhere to accurate and transparent accounting methods and to ensure that shareholders are given an opportunity to vote on important issues. The Company will enable the appropriate checks and balances for members of the management team to serve this purpose and monitor its compliance and communication. The Company's goal is to provide assurances that the Company avoids conflicts of interest as related to their choice of directors, activities and attempts to obtain unduly favorable treatment, and constantly ensures that the Company does not engage in any illegal practices.

Guiding Principles: The overall guiding principle will be to incorporate ESG issues into the Company's decision-making processes on a daily basis, including but not limited to:

1) Ensuring compliance and good governance while extending industry standard guidelines and best practices, and actively managing ESG considerations and risks effectively. In addition, providing appropriate disclosure on ESG issues throughout the Company and always acting

with integrity in all the Company's dealings. Striving to observe the Company's goals of diversity and to always be non-discriminatory in any manner and adopting equality in its employment and operational practices.

2) To act responsibly with respect to environmental concerns, aiming for a sustainable approach to the use of resources, setting an example for the industry and always striving to avoid irresponsible handling of resources and unnecessary waste.
3) Ensuring that the management structure, policies, and their application reflect transparency, accountability, equality, and great probity in the management of the Company's business and operations.

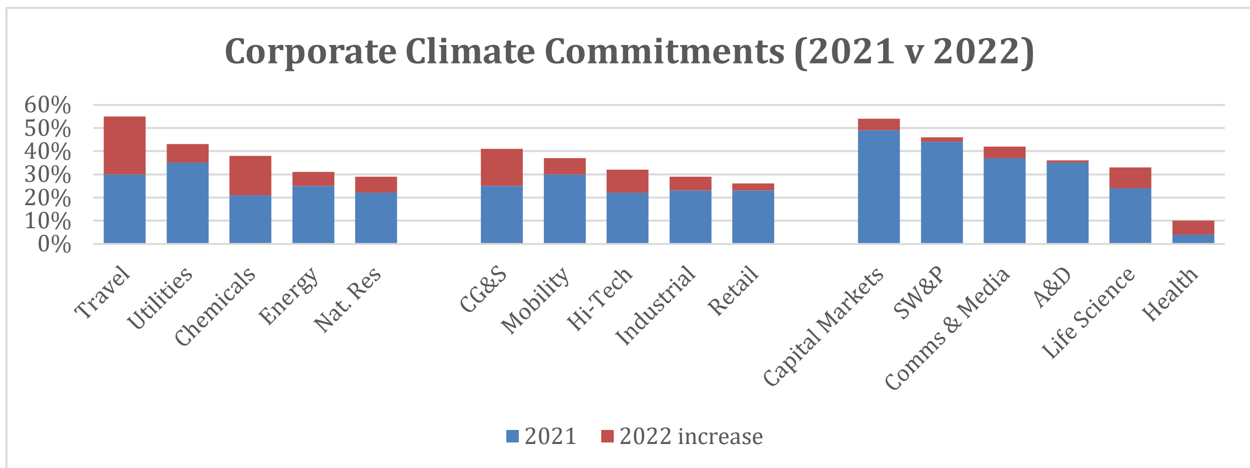
The Company actively monitors the effectiveness of the implementation of the ESG Policy and the guiding principles. The Company's ESG Policy has also been adopted by P&G.

INDUSTRY OVERVIEW

An increased public spotlight on the climate crisis is compelling governments, companies, and individuals around the world to take responsibility for their contributions to greenhouse gas (GHG) emissions. One source of such emissions is abandoned and orphaned oil and gas wells. Many of these are either leaky due to being unplugged or inadequately plugged. Becoming carbon-neutral is increasingly urgent as global warming continues to advance, requiring strong leadership in the political, business, technological, and social spheres to implement strict measures that will guide the world towards a sustainable future. In response to increased political pressure to achieve actual emission reductions, strong global initiatives are continuously being developed and implemented to move the world towards the goal of "net-zero" emissions by 2050.

In response to these initiatives, there are ambitious commitments being made throughout both the private and public sectors that are driving the expansion and development of a more sophisticated infrastructure for the international carbon credit market. As businesses seek methods of reducing their GHG emissions, they simultaneously push for increasingly efficient and innovative solutions that align with their values.

A new rule proposed by the SEC would require companies to significantly increase their reporting on climate risk.[17] To that end, an increasing number of corporations have net-zero targets; demand is not considered to be the constraint. As such, the Company believes its new offset type will be required to meet global net-zero targets. The following chart[18] shows year-over-year increases in corporate climate commitments, further illustrating that demand is not the constraint on the market:



[17] Source: https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/understanding-the-secs-proposed-climate-risk-disclosure-rule.

[18] Source: Accenture. Sample based on G2000 list; a set of the leading public and private companies across the globe maintained by Accenture.

Within the compliance-based carbon reduction market, regulated parties obtain and yield credits to meet mandatory emission caps that they are legally required to comply with. There is also a collective focus on sustainability objectives and global moral sentiments outside of the compliance markets that is driving the rapid expansion of the Voluntary Carbon Markets, as corporations, sovereigns and individuals accept responsibility to take action in the shared goal of reaching a climate-neutral world. As this industry accelerates, the Company believes it is inevitable that these systems will evolve to accommodate growth, maturity, and the incorporation of carbon credits as a normalized aspect of the cost of living and doing business.

Global Policy

The driving force behind the advancement of the carbon credit market is the continued evolution of global policies. The United Nations Framework Convention on Climate Change ("**UNFCCC**"), signed in 1992, established an international environmental treaty to "prevent dangerous human interference with the climate system". The framework was designed primarily to begin and support a process for future, and more detailed, agreements about how to respond to climate change.

On February 16, 2005, the Kyoto Protocol came into effect to establish international law that would implement legally binding obligations for developed countries to reduce their GHG emissions. A total of 37 industrialized countries and economies in transition, as well as the European Union, were targeted by the protocol to set binding emission reduction goals, targeting an average reduction of 5% below 1990 baseline emission levels over the first 5-year commitment period (2008-2012). It operationalized the UNFCCC by having countries commit to limit and reduce their GHG emissions in accordance with agreed individual targets. The Kyoto Protocol served to pioneer new approaches for fighting climate change and the development of compliance and Voluntary Carbon Markets. This policy remained functional until superseded by the Paris Agreement in 2015.

In December 2015, as a key element under the UNFCCC, the Paris Agreement was adopted to set the world on a course towards sustainable development, aimed at holding global average temperature increases to 2°C above pre-industrial levels, while also pursuing efforts towards limiting the temperature increase even further to 1.5°C. Reaching the Paris Agreement 1.5°C target requires an approximate 50% reduction in global GHG emissions from current levels, and required to be completed by the year 2030. To achieve this long-term temperature goal, countries aim to reach global peaking of greenhouse gas emissions as soon as possible to achieve a climate neutral world, or "net-zero" emissions by 2050. The Paris Agreement was adopted with legal force under the UNFCCC, applicable to all signatories and entered into force on November 4, 2016.

The Paris Agreement requires each signatory to communicate and maintain successive Nationally Determined Contributions ("**NDCs**") that it intends to achieve. NDCs are the roadmaps that set out each country's post-2020 climate actions under the Paris Agreement. It demonstrates each country's efforts in adapting to the impact of climate change and includes a plan that reflects its ambitions in fostering climate resilience and in reducing GHG emissions, while taking into consideration domestic circumstances and capabilities. Under the Paris Agreement, each party or country must outline and communicate their post-2020 climate actions and NDCs to the UNFCCC. Together, these climate actions determine whether the world achieves the long-term goals of the Paris Agreement. Parties are required to submit updated NDCs every five years, regardless of their respective implementation time frames.[19]

In August 2021, the Intergovernmental Panel on Climate Change (IPCC) released their Sixth Assessment Report, which stated, "global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO_2) and other greenhouse gas emissions occur in the coming decades." According to the report, even with drastic emissions cuts to 2030, average temperatures could

[19] See 'Paris Agreement' (2015) at https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/paris_agreement_english_.pdf. For subsequent updates on NDCs seehttps://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs#NDC-Synthesis-Report.

still rise 1.5°C by 2040 and possibly 1.6°C by 2060 before stabilizing, a decade earlier than the IPCC concluded in their previous report published less than 3 years earlier.[20]

Carbon Credits

It is widely accepted that CO_2 emissions associated with the burning of fossil fuels have caused climate change over time. CO_2 emissions are approximately 40% higher than they were before the Industrial Revolution and at their highest levels in recorded history, spanning over 650,000 years. CO_2 emissions are not the only GHG emissions contributing to climate change. Other GHG gases such as methane (CH_4), nitrous oxide (NO_2) hydrofluorocarbons, perfluorocarbons, nitrogen trifluoride (NF_3), and sulfur hexafluoride (SF_6) also create adverse effects for the environment and are converted into a carbon dioxide equivalent (CO_2e), to create a uniform standard for purposes of the emissions reduction economy.

Companies and organizations have implemented various strategies to reduce their own GHG emissions to meet government regulations, allow for financing, encourage investment and in support of public relations campaigns. Strategies include modifying current business/organizational practices and internal policies to reduce their own GHG emissions, and where this is not practically feasible, they can purchase carbon credits from other organizations.

One carbon credit is equivalent to one ton of (CO_2 equivalent) GHG emissions reduction or sequestration. Carbon credits are typically used by the holder to off-set GHG emissions, and they can be generated from a variety of projects including, but not limited to, forestry and land use, renewable energy, improved energy efficiency, agriculture, transportation, household devices, biomass and biogas facilities, waste disposal, carbon capture, utilization and storage ("**CCUS**"), wetland restoration, and other industrial projects.

Carbon credits can be sold to governments, companies or individuals seeking to decrease their carbon footprints. Revenue from carbon credits sales can be directed towards countries and communities in support of jobs, wildlife, education, clean water and other initiatives that transition local economies away from non-sustainable practices and non-renewable resources.

The *Inflation Reduction Act* (United States) demonstrates the potential value of carbon credits. Under the act, specific types of facilities will be required to report their GHG emissions to the Environmental Protection Agency and then pay for such emissions. These facilities will face charges that will start at US$900 per ton of methane emitted in 2024 and increase to US$1,200 in 2025 and US$1,500 in 2026.[21]

Overview of Carbon Credit Markets – Compliance-Based and Voluntary Carbon Markets

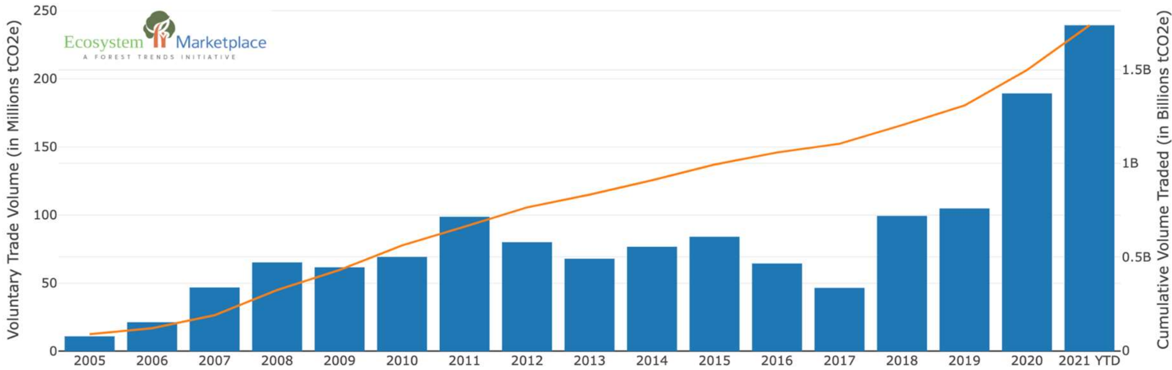
Carbon credits are traded in both the compliance-based and Voluntary Carbon Markets. The price for a carbon credit varies according to not only the market on which it is traded, but also by its methodology, location, vintage, accreditation, social and environmental attributes and general market trends.

The compliance reduction markets are driven by mandated caps on GHG emissions and created and regulated by mandatory national, regional, or international carbon reduction regimes, which compel parties to meet pre-determined regulatory targets. In these markets, regulated entities acquire and then surrender/retire emissions and allowances off-sets in order to meet predetermined regulatory targets. In the United States, the Regional Greenhouse Gas Initiative ("**RGGI**") and the California Air Resource Board's ("**ARB**") cap-and-trade programs are the main compliance markets but no national system has yet been brought into law. The RGGI program's second phase encompasses Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont but does not currently encompass any offset production. The ARB program covers around 85% of California's emissions and six compliance offset protocols are currently enacted: Livestock, Mine Methane Capture, Ozone Depleting Substances, Rice Cultivation, U.S. Forests and Urban Forests.

[20] IPCC, Sixth Assessment Report: Climate Change 2021 – The Physical Science Basis, August 9, 2021. Available online from https://www.ipcc.ch/report/ar6/wg1/
[21] https://www.ghd.com/en/news/inflation-reduction-act-introduces-methane-emissions-charge-for-the-oil-and-gas-sector.aspx

The Voluntary Carbon Market is comprised of the non-obligatory purchasing of carbon credits issued by recognized carbon credit standards body such as Verra, The Gold Standard, American Carbon Registry or Climate Action Reserve (together, the "**Carbon Credit Registries**"). The Carbon Credit Registries have established systems of industry and peer review that results in the flexibility to cultivate methodologies, project financing, and monitoring that will extend outside the operational rules of the compliance carbon markets and has led to the development and advancement of standards, registries, and project types beyond the scope of the compliance market mechanisms, allowing for real-time reactions to the ever-changing marketplace.

Voluntary Carbon Markets grew steadily from 2005 to August 31, 2021, per the below chart:[22]



VCM Carbon Credit Trade Prices & Volumes by Year, pre-2005 to 31 August 2021

In the chart, *Voluntary Trade Volume (in Millions of tCO_2e)* is shown by the bars and *Cumulative Volume Traded (in Billions tCO_2e)* is shown by the line.

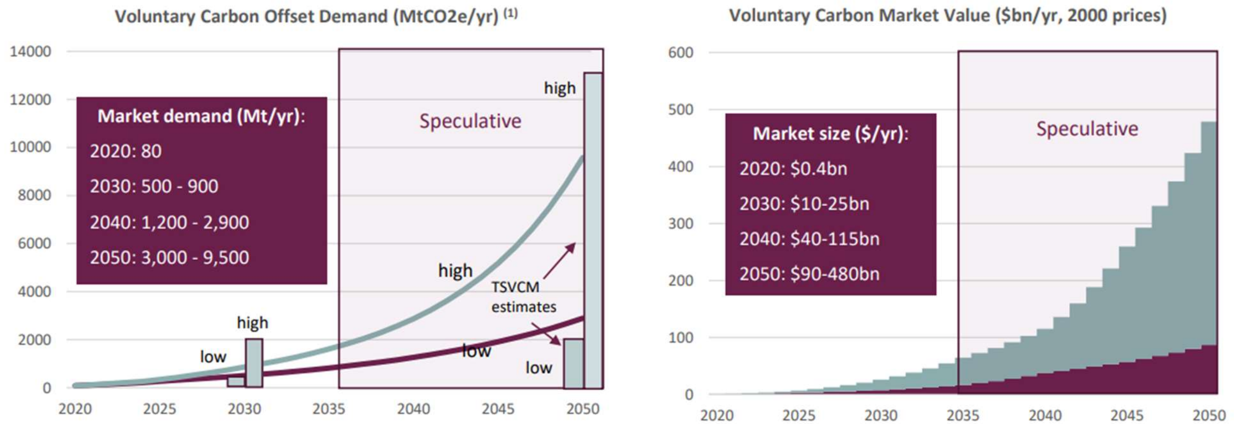
Voluntary Carbon Markets are broadly expected to continue to have strong growth in both volume and value of credits going forward. Trove Research estimates that demand in the Voluntary Carbon Market for carbon credits could grow by approximately 15-fold by 2030 (vs. today), increasing to 1.5 to 2 gigatons of CO_2e per annum. Trove Research is forecasting up to a 100-fold increase in global demand by 2050, increasing to 2 to 13 gigatons of CO_2e per annum.[23]

Looking ahead, the Company believes that the Voluntary Carbon Market demand will increase as industry strives to achieve its net-zero carbon targets. The Company believes it is important to maintain a strong commitment to projects that have a positive impact on the climate, local communities, biodiversity, as well as significant social and economic Co-Benefits in addition to their carbon reduction or removal potential.

[22] See 'Ecosystem Marketplace's Global Carbon Markets Data Intelligence and Analytics Dashboard' (2022) at https://data.ecosystemmarketplace.com/.

[23] Trove Research – The Global Voluntary Carbon Market (January 2021). Available online at https://trove-research.com/wp-content/uploads/2021/01/Global-Carbon-Offset-Supply_11-Jan-1.pdf.

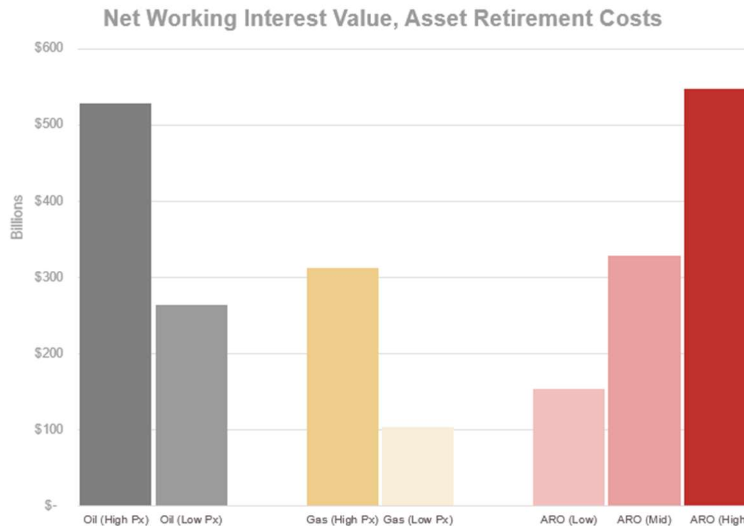
Projected Growth in the Voluntary Carbon Market[24]



1. Trove Research calculations. Based on extrapolation of recent trends plus potential new sources of demand for European oil companies and international airlines.

The US$4.7 billion investment for plugging orphaned wells under the *Infrastructure Investment and Jobs Act* (United States) will function to further exacerbate the imbalance between the demand and supply of plugging capacity. In addition, inflationary pressures and additional well retirements could materially increase the Asset Retirement Obligation ("**ARO**") liability of producers. ARO liability is the liability that resource producers will include in their financial statements to account for the future cost to to decommission non-producing wells through plugging and abandonment procedures. As well portfolios age, the ARO liability can become greater than the value of the well, referred to as an "upside-down well." Resource producers, therefore, will look for ways to offload such wells through plugging and abandonment procedures.

Commodity price movements and new Environmental Protection Agency methane regulations will reduce the value of marginal wells, and the equity value of the producers, further creating the demand for such wells to be retired, as shown in the following chart:[25]



[24] Graphs from Trove Research's 'The Global Voluntary Carbon Market' (2021). 2020 data is actual, not projected. See full report at https://trove-research.com/wp-content/uploads/2021/01/Global-Carbon-Offset-Supply_11-Jan-1.pdf.

[25] Well dataset includes all U.S. onshore wells excluding BP, SHEL, CVX, XOM and COP. Valuation is a function of cumulative barrels per day and one thousand cubic feet of gas per day (net 20% deduct for working interest) and their respective valuation multiples. The 'High Px' scenario has the multiples set at US$60,000/US$3,000 and the 'Low Px' scenario at US$30,000/US$1,000. Asset retirement cost is a function of total numbers of wells to be plugged (AOOG + production wells) and average cost to plug. Average costs in low are: US$35,000, mid: US$75,000, and high: US$125,000.

Trading and Pricing of Carbon Credits

Compliance-related carbon reduction instruments are traded on both private and public markets, including the European Climate Exchange, the NASDAQ OMX Commodities Europe Exchange, the Chicago Mercantile Exchange, the Intercontinental Exchange, and the European Energy Exchange. In addition to the Carbon Credit Registries which facilitate the transfer of carbon credits, there are emerging exchanges which are specializing in the trading of carbon credits in the Voluntary Carbon Market, including Puro.earth, Xpansiv, ACX and Toucan.[26] Puro.earth is a leading marketplace for carbon removal instruments with a long-running partnership with the Nasdaq, which acquired a majority stake in Puro.earth in 2021.[27] Xpansiv is a global marketplace formed in 2019.[28] In addition to carbon credits, it offers renewable energy credit and low-carbon fuels. Xpansiv received a $400 million investment from Blackstone Energy Partners in 2022. In July 2023, Puro.earth and Xpansiv announced a partnership to scale the growth of the carbon credit market. ACX, formerly known as AirCarbon Exchange, is a marketplace which uses blockchain technology to securitize carbon credits.[29] ACX offers tokens which are backed by carbon credits held by ACX. Similar to ACX, Toucan offers the tokenization of carbon credits.[30] While it is not a marketplace itself, it is a prominent bridge firm which facilitates the trading of carbon credits.

Carbon pricing is being used by governments as a cost-effective tool to achieve their GHG emissions reduction goals and will play a critical role in global efforts to reach net-zero goals by incentivizing innovation and progress in decarbonization technologies. Pricing for carbon credits is determined by location, project activity (such as emissions reductions, forestry, renewable energy, waste disposal, carbon capture, etc.), vintage (the year the credit was created), verification standard and associated Co-Benefits such as job creation, water conservation or preservation of biodiversity. Carbon credit pricing is also affected by general market principles. Through recognition and accounting for pollution costs in daily decisions, consumers and carbon emitters alike will shift from high emissions products and processes to low-carbon alternatives.

However, carbon prices in many jurisdictions remain substantially lower than those needed to achieve the objectives of the Paris Agreement. In order to boldly pursue these objectives, the carbon reduction market requires a proper carbon benchmark to bring transparency, price discovery, and liquidity to this emerging global market.

Remediation of orphaned and abandoned oil and gas wells

This practice seeks to reduce the emissions of methane from oil and gas production sites. Older wells may leak GHGs due to being unplugged or plugged only to inadequate historic requirement standards. Many production sites across the US and Canada are orphaned or abandoned with no obvious party responsible for plugging wells to necessary standards to prevent unnecessary emissions. Corporations can face large plugging liabilities which they may default on. These projects are associated with GHG emission reductions, cleaner water sources and surface remediation. The following are images of orphaned and abandoned wells:

[26] See ‘A Guide to Carbon Credit Exchanges’ (2022) at https://www.carbonmarketcap.org/a-guide-to-carbon-credit-exchanges/.
[27] See https://puro.earth/.
[28] See https://xpansiv.com/.
[29] See https://acx.ae/.
[30] See https://toucan.earth/.

Older wells can also have other negative environmental effects. Leaking wells release explosive and harmful gas (sometimes into residential and commercial properties).[31] Local water tables can be contaminated by oil and gas from the wellbore. The Climate & Clean Air Coalition states that reducing methane emissions by 40% by 2030 could prevent an estimated 180,000 deaths, 540,000 emergency room visits from asthma, and 11,000 hospitalizations of elderly people each year.[32]

Carbon Credit Registries and Verification

The Carbon Credit Registries (being Verra, The Gold Standard, American Carbon Registry and Climate Action Reserve) are the four largest voluntary carbon credit registries/standards organizations in the world and collectively list over 4,600 carbon reduction projects, as well as maintain transaction records for all issuances, transfers and retirements. The Carbon Credit Registries, as well as qualified independent third-party companies, also serve to maintain standards of verification and certification for carbon credits. Verification is the process of evaluating calculations of the actual amount of GHG emissions that have been avoided or sequestered through implementation of a carbon reduction project. Potential carbon reduction projects are compared to industry standards in regard to project design, implementation, monitoring, and reporting criteria in order to measure its authenticity and potential for certification.

Emissions reduction relating to a carbon credit must be real, quantifiable and measurable using an industry- accepted methodology. Generally, carbon credits must hold the following attributes to be certified or verified by industry standards:

- Additionality
- Not Overestimated
- Permanent
- Exclusively Claimed
- Not Associated with Significant Social or Environmental Harms.

The Company generates carbon credits in accordance with the ACR OOG Methodology and uses external verifying and validating bodies ("**VVBs**") to ensure that the methodology has been correctly followed. These steps ensure that all of the industry standards above are met.

A. Additionality

Additionality is the distinction of a project activity from its baseline scenario. GHG emission reductions are additional if they would not have occurred in the absence of a market for carbon credits. If the GHG reductions would have occurred in any event, without any prospect for project owners to sell carbon credits, then they are not additional. Examples of occurrences that may preclude additionality include government laws and regulation, as well as profitability of carbon projects without the requirement of a revenue stream from carbon credits. Projects mandated by government regulations or conducted in the ordinary course of business are considered to be identical to baseline activities.[33] For an activity or project to be additional, the possibility to sell carbon credits must play a decisive role in the decision to implement it.

B. Not Overestimated

A verified carbon project must not overestimate any of its GHG emissions data, including by way of the following:

- Overestimating baseline emissions.
- Underestimating actual emissions.
- Leakage.
- Forward crediting.

[31] See https://www.theglobeandmail.com/canada/article-ontario-gas-oil-wells-crisis/.
[32] See https://www.ccacoalition.org/en/news/methane%E2%80%99s-links-respiratory-diseases-strengthens-case-its-rapid-reduction.
[33] See 'The GHG Protocol for Project Accounting' (2005) at https://ghgprotocol.org/sites/default/files/standards/ghg_project_accounting.pdf.

GHG reductions can be overestimated if a project's baseline emissions are overestimated. The baseline emissions are the reference against which GHG emission reductions are calculated and are closely tied to additionality. They are the emissions that would have occurred in the absence of demand for carbon credits or in the ordinary course of business.

GHG emission reductions can also be overestimated by underestimating actual GHG emissions. Many kinds of carbon reduction projects reduce but do not eliminate, GHG emissions. A project's GHG emission reductions are quantified by comparing the actual emissions that occur after the project is implemented to its predicted baseline emissions; however, this is subject to measurement error. In the same way that baseline emissions can be overestimated, actual emissions can be underestimated, with both contributing to an overestimation of GHG reductions.

Leakage, or the failure to account for the indirect effects of a project on GHG emissions outside of its boundaries is also a form of overestimation. To quantify GHG emission reductions, actual and baseline emissions are determined for carbon sources or sinks affected by a project. Forest preservation projects that avoid the emissions created by clearing one parcel of forest but result in shifting the production of timber through deforestation to other areas of land is an example of leakage.

Carbon credits may be issued for GHG reductions that a project developer expects to achieve in the future which is a process referred to as "forward crediting". Forward crediting can lead to an over-issuance of carbon credits if a project fails to perform as expected.

It is essential that project monitoring data be carefully verified to prevent overestimation.

C. Permanent

Carbon credits must be associated with GHG emission reductions that are permanent or not capable of being reversed. A reversal would occur if GHGs are subsequently emitted such that no reduction occurred. In the forest carbon context, there is always a risk that a forest fire, insect infestation, or plant disease outbreak could cause the release of stored carbon and reverse the emission reductions for which a carbon credit was issued. The emission reductions relating to carbon credits must be permanent and enforceable such that the reduction or removal cannot be reversed once the carbon credit is issued. The Company's plugging of wells will be verified as permanent following the process determined by the ACR OOG Methodology utilizing a third-party VVB to confirm emission reductions have occurred.

D. Exclusively Claimed

Carbon credits must convey an exclusive claim to GHG reductions. Double counting, where two companies lay claim to the same GHG emission reduction, must be avoided. Related to this is the prevention of greenwashing. Greenwashing is a tactic where proponents provide misleading information, often for marketing purposes, about their GHG emission reduction efforts. Greenwashing may include engaging intentional double counting of carbon credits where proponents claim that two distinct carbon credits were generated from the same ton of CO_2e.[34] Double counting can also be unintentional and can occur by way of double issuance, double use or double claiming.

Double issuance occurs if more than one carbon credit is issued for the same GHG reduction. For example, this can occur if a carbon credit standards or carbon reduction program issues carbon credits to two different projects without realizing overlap, with each project claiming the same reduction, or if two separate carbon credit standards or carbon reduction programs issue carbon credits to two parties for the same carbon reductions. Established carbon reduction programs, such as through the Carbon Credit Registries, are generally adept at avoiding these errors within their protocols and systems.

Double use occurs if two different parties count the same carbon credit towards their GHG reduction claims and could occur if a seller fraudulently represents to multiple buyers that a carbon credit was retired on its behalf. Double use is avoided primarily through registry systems (such as the Carbon Credit

[34] *Securing Climate Benefit: A Guide to Using Carbon Offsets*, Broekhoff, D., Gillenwater, M., Colbert-Sangree, T. and Cage, P. Stockholm Environment Institute. November 13, 2019 at page 28. Available online at https://www.offsetguide.org/wp-content/uploads/2020/03/Carbon-Offset-Guide_3122020.pdf.

Registries) that assign unique serial numbers to individual carbon credits, track their transfer and ownership and record the purpose of their use and retirement.

E. Not Associated with Significant Social or Environmental Harms

For a carbon reduction project to produce high quality carbon credits, it should not contribute to social and environmental harms. For example, a project should demonstrate that it complies with all legal requirements in the jurisdiction where it is located. Avoiding social or environmental harms is distinct from providing Co-Benefits. Potential harms as well as Co-Benefits should be monitored and reported by project proponents. Carbon Credit Registries and other carbon reduction programs apply a number of different methodologies to ensure that projects are verified.

Life Cycle of Carbon Reduction Projects

Carbon credits follow a standard lifecycle from generation to retirement. The lifecycle is typically a long-term investment by project developers. The carbon reduction lifecycle encompasses the following steps:[35]

- Methodology Development
- Project Development
- Validation and Registration
- Project Implementation and Verification
- Carbon Credit Transfer
- Carbon Credit Retirement.

1. Methodology Development

GHG reductions must meet carbon reduction quality criteria before they can be certified for use as carbon credits. The methodology or protocol used must be specific to the type of reduction project generating the GHG reductions. Carbon Credit Registries have a library of approved methodologies covering a wide range of project types. These specific methodologies or protocols describe how the project and its net effects on carbon emissions are to be assessed in specific circumstances. New methodologies are expected for the remediation of carbon impact of abandoned and orphaned oil and gas wells.

2. Project Development, Validation and Registration

The project design document ("**PDD**") is the central document that describes the technology / carbon reduction method used in the project activity, the relevant project participants and project location(s). It defines the methodology used to calculate emission reductions, including the baseline, project boundary, leakages and monitoring plan.

A carbon reduction project is validated by an independent verifier and registered with a carbon reduction program typically established by a Carbon Credit Registry. Official registration is evidence that the project has been approved by the Carbon Credit Registry or other carbon standards program and, upon validation, is eligible to start generating carbon credits. Generally, validation is an evaluation of the project plan and associated documents to determine whether the project is likely to generate emission reductions that can satisfy the requirements of the chosen standard and methodology. Even in the Voluntary Carbon Market, third-party validation and verification is extremely important to buyers to ensure credibility.

Projects are typically registered with a registry or a carbon credit transaction platform, such as a Carbon Credit Registry, in the Voluntary Carbon Market that uses its own standard verification methodology.

[35] *Securing Climate Benefit: A Guide to Using Carbon Offsets*, Broekhoff, D., Gillenwater, M., Colbert-Sangree, T. and Cage, P. Stockholm Environment Institute. November 13, 2019 at pp. 10-11. Available online at https://www.offsetguide.org/wp-content/uploads/2020/03/Carbon-Offset-Guide_3122020.pdf.

3. Project Implementation and Verification

Once a carbon reduction project is implemented, it is monitored and periodically verified to determine the quantity of emission reductions it has generated. The length of time between verifications can vary but it is typically one year.

Third-party verifiers have two main responsibilities in the context of a carbon reduction program. First, they perform project validation, which entails confirming that a proposed project meets a program's eligibility criteria. Second, verifiers conduct project verification, which entails confirming that project monitoring data was collected in accordance with a program's requirements, as well as reviewing calculations to confirm that the project's GHG reductions were estimated according to the approved methodology or protocol. Verification entails assessing the veracity of data provided by project developers. The verification process usually involves a site visit combined with auditing or sampling of selected data samples to confirm with reasonable assurance that the data are accurate.

A carbon reduction program, typically maintained by a Carbon Credit Registry, approves verification reports and then issues a number of carbon credits equal to the quantity of verified CO_2e GHG reductions. Carbon credits are generally deposited into the project developer's account in a registry system administered by the Carbon Credit Registry. Delivery of carbon credits generally occurs over an electronic registry that tracks transfers of the carbon credits and helps to ensure that no double counting of emission reductions occurs.

Carbon Credit Registries track and record the issuance and ownership of carbon credits. A serial number is assigned to each carbon credit. When a carbon credit is sold, the serial number for the reduction is transferred from the account of the seller to an account of the buyer. If the buyer retires the carbon credit or uses it as a reduction against its own emissions, then the registry will retire or cancel the serial number so that the carbon credit cannot be traded in the marketplace.

4. Carbon Credit Transfer

Once carbon credits are issued, they can be transferred into different accounts in a Carbon Credit Registry. Transfers are typically undertaken as a result of a purchase or trade. Following the purchase, the carbon credit will be transferred from the project developer's account into an account owned by the purchaser. Carbon credit buyers may retire the carbon credits, hold them, or transfer them to other accounts.

Compliance related carbon reduction instruments are traded on both private and public markets, including the European Climate Exchange, the NASDAQ OMX Commodities Europe exchange, and the European Energy Exchange. In addition to the Carbon Credit Registries which facilitate the transfer of carbon credits, there are emerging exchanges which are specializing in the trading of carbon credits in the Voluntary Carbon Market.

5. Carbon Credit Retirement

Holders of carbon credits may retire carbon credits and claim them for their associated GHG reductions (or against their GHG emissions). Retirement occurs according to a process specified by each carbon reduction program's registry that documents the purpose and on whose behalf the retirement was made. Once a carbon credit is retired, it cannot be transferred or used and is effectively removed from circulation.

USE OF AVAILABLE FUNDS

Available Funds

The gross proceeds to the Company (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be $3,000,000. The total funds available to the Company at the closing of the Offering, after deducting the estimated expenses of

the Offering of $250,000 and the Underwriters' Commission of $180,000, and including the Company's estimated working capital as at September 30, 2023 of $4,157,006, are estimated to be $6,727,006.[36]

Use of Available Funds

The Company intends to use the available funds as follows over the next 12 months:

Use of Available Funds	Amount ($)
Plugging and Measuring Equipment Purchases(1)	1,059,360
Operational Team Scaling(2)	469,144
Carbon Credit Pre-Sale Fees(3)	25,000
P&G Integration Fees(4)	243,360
Professional Fees(5)	304,200
Management Overhead(6)	1,929,642
Marketing and Investor Relations(7)	705,311
SUBTOTAL:	**4,736,017**
Unallocated Working Capital(8)	1,990,989
TOTAL:	**6,727,006**

Notes:

(1) Estimated capital expenses of US$783,550 (including purchasing one additional plugging rig, a field truck, an optical gas imaging camera, three sets of methane measurement and monitoring equipment, five sets of personal protective equipment, and two laptops and field tablets).

(2) Estimated operational expenses of US$347,000. See "*Description and General Development of The Business – Business Objectives, Investment Strategy and Milestones*".

(3) Estimated legal fees based on the costs incurred from the transaction with Mercuria. See "*Description and General Development of the Business - Business Overview - Project Pipeline*".

(4) Consulting fees (US$180,000) for integration of P&G's and the Company's businesses. See "*Description and General Development of The Business – Business Objectives, Investment Strategy and Milestones*".

(5) Expected legal and audit fees for the next twelve months (totaling US$225,000), including legal fees (US$155,000) and audit (including tax review) fees (US$70,000).

(6) Estimated compensation to executives over the next twelve months, including office and administration fees (including travel expenses, insurance, office costs, filing and listing fees) (US$104,290), CEO consulting fees and other compensation (US$253,440), President, Corporate Development salary and other compensation (US$229,240), CCO salary and other compensation (US$223,280), Executive Chairman consulting fees (US$250,000), CFO consulting fees (US$192,000) and Head of Operations salary (US$175,000).

(7) Marketing expenses (US$377,680) and investor relations (US$144,000) budget over the next twelve months.

(8) Unallocated working capital (US$1,472,625). To the extent necessary, the Company will utilize these funds to fund any negative cash flow in the next 12 months.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. In the event of an increase in the funds available to the Company, those amounts allocated above may be increase in the discretion of the Company. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the

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[36] In addition, P&G has a revolving line of credit of up to US$4,000,000 which it may draw funds from. As of September 30, 2023, there was indebtedness of US$2,514,218 under the line of credit. For the present amount of indebtedness under the line of credit, see "*Consolidated Capitalization*".

foregoing and those referred to under "*Risk Factors*" below. However, it is anticipated that the available funds will be sufficient to satisfy the Company's objectives over the next 12 months.

Any funds received by the Company upon exercise of the existing 12,000,000 Consideration Warrants, being a maximum of $1,200,000, will be used by the Company for unallocated working capital.

Business Objectives, Revenue Strategy and Milestones

The Company intends to allocate the net proceeds of the Offering as stated in this Prospectus, however, there may be situations where, due to change of circumstance, outlook and /or business judgment, a reallocation of funds is necessary for the Company to achieve its overall business objectives. Pending utilization of current working capital, the Company intends to invest current cash into short-term, interest-bearing corporate, government-issued or government-guaranteed investments at the determination of the Company's Chief Financial Officer.

The Company's working capital available to fund ongoing operations is sufficient to meet administrative costs and anticipated expenditures for at least twelve months. The Company has had negative cash flow from its operating activities since its incorporation and expects to continue to have negative cash flow from its operating activities in the future. The Company's source of capital to fund ongoing operations since incorporation has been from the sale of equity capital and the Company expects that equity capital will continue to be its primary source of funds for at least the next twelve months. See "*Risk Factors*" for further disclosure of the risk of negative cash flow from its operating activities.

The Company's allocated working capital will be available to fund operating cash flows and the capital outlays, including scaling its testing and monitoring capacity, as listed below:

Milestone	Description	Implementation Timing	Costs related to Milestone
P&G Integration	Integrate P&G's operations with the Company's and build up P&G's financial planning and reporting capacity.	Q3 to Q4 2023	$243,360(1)
Carbon Credit Pre-Sales	Execute carbon credit presale transactions with two or more leading carbon credit market players in the size of tens of thousands of carbon credits.	Q4 2023	$25,000(2)
Operational Team Scaling	Carry out additional hiring or third party contracting to scale up the capacity for the Company to test the wells in its project pipeline, such as land survey programs in the Company's business territories.	Q1 2024	$469,144(3)
Plugging and Measuring Equipment Purchases	Acquiring additional rigs as well as additional methane measurement and monitoring equipment along with scaling of the operational team.	Q1 2024	$1,059,360(4)

Notes:

(1) P&G has signed an engagement with a financial planning and analysis advisory firm for US$60,000 annually for its services and an additional estimated US$120,000 a year consulting service for P&G and the Company's finance and business integration work.

(2) Estimated legal fees based on the costs incurred from the transaction with Mercuria. See "*Description and General Development of the Business - Business Overview - Project Pipeline*".
(3) Estimated operational expenses of US$347,000 (including hiring five field agents, one project manager and one office administrator and coordinator).
(4) Estimated capital expenses of US$783,550 (including purchasing one additional plugging rig, a field truck, an optical gas imaging camera, three sets of methane measurement and monitoring equipment, five sets of personal protective equipment, and two laptops and field tablets).

SELECTED FINANCIAL INFORMATION

Summary of the Company's Financial Information

The following is selected financial information of the Company and is qualified in its entirety by the audited financial statements of the Company for the financial years ended June 30, 2023 and 2022, the audited financial statement of the Company for the financial year ended December 31, 2021, the unaudited consolidated interim financial statements of the Company for the six month period ended June 30, 2022 and the notes thereto attached as Appendices 1, 2 and 3 to this Prospectus. The Company previously had a financial year end of December 31. As a result of the Transaction being a reverse take-over, the Company's financial year end changed to June 30, being that of Zefiro Methane's, the reverse take-over acquirer.

	For the year ended June 30, 2023 (audited)	**For the six months ended June 30, 2022 ($) (unaudited)**	**For the year ended December 31, 2021 ($) (audited)**
Total assets	US$22,677,552	37,883	38,816
Total liabilities	US$11,806,624	27,367	0
Shareholders' equity	US$10,870,928	10,516	38,816
Revenue	US$5,981,996	-	-
Net income (loss) and comprehensive income (loss)	(US$1,440,782)	(28,300)	(8,102)

Summary of Zefiro Methane's Financial Information

The following selected financial information of Zefiro Methane, which was incorporated on September 9, 2021, is qualified in its entirety by the audited financial statements of Zefiro Methane for the financial year from incorporation and ended June 30, 2022 and the notes thereto attached as Appendix 4 to this Prospectus. Financial information of Zefiro Methane for the financial year from incorporation and ended June 30, 2022 is also being presented in United States dollars, as this information is presented as the comparative year in the Company's audited financial statements for the years ended June 30, 2023 and 2022, attached as Appendix 5. This information is qualified in its entirety by these financial statements and the notes thereto.

	For the year ended June 30, 2022 (audited)	
Total assets	$1,315,380	US$1,020,210
Total liabilities	$98,741	US$76,584
Shareholders' equity	$1,216,639	US$943,626
Revenue	-	-
Net income (loss) and comprehensive income (loss)	($164,693)	(US$145,698)

The financial statements and Management's Discussion and Analysis of Zefiro Methane are being included in this Prospectus pursuant to subsection 32.1(1)(b) of Form 41-101F1 – *Information Required in a Prospectus*, as Zefiro Methane is a business acquired by the Company within the three years before the date of this Prospectus and a reasonable investor reading this Prospectus would regard the primary business of the Company to be the business of Zefiro Methane.

Summary of P&G's Financial Information

The following selected financial information of P&G is qualified in its entirety by the audited financial statements of P&G for the financial years ended December 31, 2022 and 2021, the unaudited interim financial statements for the three month period ended March 31, 2023 and the notes thereto attached as Appendices 5 and 6 to this Prospectus.

	For the three months ended March 31, 2023 (unaudited)	**For the year ended December 31, 2022 (audited)**	**For the year ended December 31, 2021 (audited)**
Total assets	US$13,654,432	US$12,452,905	US$9,097,811
Total liabilities	US$9,526,212	US$9,180,854	US$5,521,333
Shareholders' equity	US$4,128,220	US$3,272,051	US$3,576,478
Revenue	US$6,655,650	US$20,853,163	US$10,261,342
Net income (loss) and comprehensive income (loss)	US$856,169	(US$304,427)	US$516,726

The financial statements and Management's Discussion and Analysis of P&G are being included in this Prospectus pursuant to subsection 32.1(1)(b) of Form 41-101F1 – *Information Required in a Prospectus*, as P&G is a business acquired by the Company within the three years before the date of this Prospectus and a reasonable investor reading this Prospectus would regard the primary business of the Company to be the business of P&G.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's Management's Discussion and Analysis ("**MD&A**") is included in this Prospectus as Appendix 7. The MD&A should be read in conjunction with the Company's financial statements for the relevant periods and the disclosure contained in this Prospectus.

Zefiro Methane's MD&A is included in this Prospectus as Appendix 8. The MD&A should be read in conjunction with the Zefiro Methane financial statements for the relevant periods, and the disclosure contained in this Prospectus.

P&G's MD&A is included in this Prospectus as Appendices 9 and 10. The MD&A should be read in conjunction with the P&G financial statements for the relevant periods, and the disclosure contained in this Prospectus.

DIVIDEND RECORD AND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends on its Company Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not expect to pay any dividends in the foreseeable future. As such, there are no plans to pay dividends. The payment of dividends in the future, if any, will be determined by the board of directors of the Company (the "**Board**") in its sole discretion on the basis of the earnings and financial requirements of the Company as well as other conditions existing at such time.

DESCRIPTION OF THE SHARE CAPITAL

Description of Common Shares

As of the date of this Prospectus, the authorized share capital of the Company consists of an unlimited number of Common Shares without par value. At the date of this Prospectus, there are an aggregate of 61,257,000 fully paid Common Shares issued and outstanding.

The holders of the Company's Common Shares are entitled to:

- one vote per share at all meetings of shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote;
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company (of which there are none as at the date of this Prospectus), any dividends declared by the Company; and
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

Description of Warrants

As of the date of this Prospectus, the Company has the following issued and outstanding share purchase warrants:

- 12,000,000 Consideration Warrants, each exercisable for one Common Share at an exercise price of $0.10 until April 4, 2027;
- 1,045,000 Warrants, each exercisable for one Common Share at an exercise price of $0.75 until August 11, 2024, subject to an Accelerated Expiry Date;
- 3,378,800 Warrants, each exercisable for one Common Share at an exercise price of $0.75 until August 19, 2024, subject to an Accelerated Expiry Date;
- 1,576,200 Warrants, each exercisable for one Common Share at an exercise price of $0.75 until August 24, 2024, subject to an Accelerated Expiry Date; and
- 1,392,500 Warrants, each exercisable for one Common Share at an exercise price of $1.50 until May 29, 2025, subject to an Accelerated Expiry Date.

DESCRIPTION OF THE SECURITIES TO BE DISTRIBUTED

Offered Common Shares

An aggregate of [●] Common Shares and up to [●] Over-Allotment Shares are hereby offered at the Offering Price of [$●] per Common Share. The securities to be distributed pursuant to the Offering hereunder are qualified by this Prospectus and are more particularly described under the heading "*Plan of Distribution*".

Compensation Options

The Company has agreed to grant to the Compensation Options entitling the Underwriters to purchase for a period of 36 months from the Closing Date that number of Compensation Shares equal to 6% of the aggregate number of Common Shares issued pursuant to this Offering (including any Over-Allotment Shares upon exercise of the Over-Allotment Option) with an exercise price per Compensation Share that is equal to the Offering Price. If the full amount of the Over-Allotment Option is exercised, the Underwriters would receive an aggregate of [●] Compensation Options. See "*Plan of Distribution*" for further details of the Offering.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated. This table should be read in conjunction with the financial statements of the Company (including the notes thereto) contained in this Prospectus.

Description	Outstanding as at December 31, 2021	Outstanding as at June 30, 2022	Outstanding as at June 30, 2023	Outstanding as at the date of this Prospectus
Common Shares	5,472,000	5,472,000	61,257,000	61,257,000
Warrants	Nil	Nil	7,392,500	7,392,500
Consideration Warrants	Nil	Nil	12,000,000	12,000,000
Stock Options	Nil	Nil	5,586,604	6,986,604
Loan Capital	Nil	Nil	US$4,276,972(1)	US$4,661,691(2)

Note:

(1) Includes: (i) indebtedness under the Note (as defined herein) of US$2,000,000 due May 12, 2025, issued for the balance of the purchase price for the Purchased P&G Shares (see "*Significant Acquisitions*"); and (ii) loan capital of P&G under the line of credit drawn down from Citizens and Northern Bank in the amount of US$2,276,972 as of June 30, 2023.

(2) Includes: (i) indebtedness under the Note of US$2,000,000; (ii) loan capital of P&G under the line of credit drawn down from Citizens and Northern Bank in the amount of US$1,661,691 as of October 27, 2023; and (iii) indebtedness under the Zefiro USA Note (as defined herein) of US$1,000,000 due March 1, 2025 (see "*Interest of Management and Others in Material Transactions*").

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Company has adopted a stock option plan (the "**Plan**") which provides eligible directors, officers, employees and consultants with the opportunity to acquire Common Shares and to benefit from any appreciation in the value of the Common Shares. The Plan provides an increased incentive for those individuals to contribute to the Company's future growth, success, and prosperity, thus enhancing the value of the Common Shares for the benefit of all of the Company's shareholders and increasing the ability of the Company to attract and retain skilled and motivated individuals in the service of the Company. The key features of the Plan are as follows:

- The maximum number of Common Shares issuable under the Plan, inclusive of all Common Shares reserved for issuance pursuant to previously granted stock options, shall not exceed a number being 20% of the Common Shares of the Company issued and outstanding as of the date of the listing of the Common Shares on the CSE, which is anticipated to be 12,851,400 Common Shares.
- The expiry date of an option shall be determined by the Board, but shall have a maximum term of ten years from the date of issue.

- Options will fully vest on the grant date of such options, subject to the discretion of the Board.
- The exercise price of options granted under the Plan will be determined by the Board when the option is granted, but will not be less than the greater of the closing market price of the Company's Common Shares on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options.
- Each option will be evidenced by a written agreement between and signed by the Company and the optionee.

Outstanding Stock Options

As of the date of this Prospectus, there are 6,986,604 stock options, each exercisable for one Common Share in the capital of the Company, issued and outstanding to the directors and officers of the Company and other eligible persons working with the Company as follows:

Name	Number of Common Shares under Option	Exercise Price per Common Share	Expiry Date
Curt Hopkins (issued to Consilium Ventures Ltd.)	1,461,800	$0.50	September 28, 2027
Jeffrey Frase	1,315,620	$0.50	September 28, 2027
Tina Reine	877,080	$0.50	September 28, 2027
Talal Debs	584,720	$0.50	September 28, 2027
Catherine Flax	204,652	$0.50	September 28, 2027
Daryl Heald	204,652	$0.50	September 28, 2027
Jonson Sun	404,652	$0.50 for 204,652 stock options $1.00 for 200,000 stock options	September 28, 2027 for 204,652 stock options July 13, 2028 for 200,000 stock options
Elijah Dumaresq	146,180	$0.50	September 28, 2027
Employees (including past employees) of the Company (as a group)	774,540	$0.50 for 499,540 stock options $1.00 for 275,000 stock options	September 28, 2027 for 499,540 stock options July 13, 2028 for 275,000 stock options
Consultants of the Company (as a group)	1,012,708	$0.50 for 87,708 stock options $1.00 for 925,000 stock options	September 28, 2027 for 87,708 stock options July 13, 2028 for 925,000 stock options
TOTAL:	**6,986,604**		

Notes:
(1) As a group, all executive officers of the Company, namely Talal Debs, Curt Hopkins, Jeffrey Frase, Tina Reine and Elijah Dumaresq, hold an aggregate of 4,385,400 stock options.
(2) As a group, all directors of the Company who are not also executive officers, namely Catherine Flax, Daryl Heald and Jonson Sun, hold an aggregate of 813,956 stock options.

Outstanding Warrants

As of the date of this Prospectus, there are 19,392,500 share purchase warrants of the Company issued

and outstanding, including 12,000,000 Consideration Warrants, each exercisable for one Common Share at an exercise price of $0.10, 6,000,000 Warrants, each exercisable for one Common Share at an exercise price of $0.75, and 1,392,500 Warrants, each exercisable for one Common Share at an exercise price of $1.50. None of the executive officers or directors of the Company hold any Consideration Warrants or Warrants, other than: (i) Tina Reine, CCO of the Company, who holds 19,125 Warrants, each exercisable into one Common Share at a price of $0.75 until August 24, 2024; (ii) Talal Debs, Founder, Executive Chairman and a director of the Company, who indirectly holds 975,000 Warrants (through X Machina Capital Strategies Fund I LP), 637,500 of which are exercisable into one Common Share at a price of $0.75 until August 24, 2024 and 337,500 of which are exercisable into one Common Share at a price of $1.50 until May 29, 2025; and (iii) Jonson Sun, a director of the Company, who indirectly holds 1,350,000 Consideration Warrants (1,000,000 of which are held through GIC Merchant Bank Corporation and 350,000 of which are held through GICMB Venture Corp. I), each exercisable into one Common Share at an exercise price of $0.10 per Common Share until April 4, 2027. See "*Description of Warrants*".

Investor Rights Agreement

On June 6, 2023 the Company entered into an investor rights agreement (the "**Investor Rights Agreement**") with XMST. Under the Investor Rights Agreement, among other things, for so long as XMST holds at least 10% of the outstanding Common Shares of the Company, XMST has a piggyback registration right, which allows XMST to require the Company, in any distribution of Common Shares by the Company, to include in such distribution, up to an amount equal to 25% of the distribution, Common Shares held by XMST. The piggyback registration right is subject to an "underwriters' cutback", which would permit reductions in such distribution of Common Shares by XMST if such shares adversely impact the distribution by the Company. XMST also has, for long as XMST holds at least 10% of the outstanding Common Shares of the Company, a pre-emptive right to participate in any distribution of securities by the Company, equal to the ratio of Common Shares held by XMST at the time to the then outstanding Common Shares.

The Investor Rights Agreement further provides XMST the right to nominate two persons to the Board, for so long as XMST owns at least 10% of the outstanding Common Shares. If XMST owns between 5% and 10% of the outstanding Common Shares, it has the right to nominate one person to the Board.

PRIOR SALES

The following table summarizes the sales of securities by the Company in the last 12 months from the date of this Prospectus.

Allotment Date	Price per Share	No. of Common Shares/ Warrants	Reason for Issuance
September 28, 2022	$0.50[(1)]	41,000,000 Common Shares 12,000,000 Consideration Warrants[(3)]	Consideration under the Securities Exchange Agreement
May 29, 2023	$1.00[(2)]	2,785,000 Common Shares 1,392,500 Warrants[(4)]	Private Placement

Notes:

(1) Issued pursuant to the Securities Exchange Agreement. See *"Description and General Development of the Business*".
(2) Issued pursuant to the May Private Placement and was the price per Unit.
(3) Each exercisable into one Common Share at an exercise price of $0.10 until April 4, 2027.
(4) Each exercisable into one Common Share at an exercise price of $1.50 until May 29, 2025.

As of the date of this Prospectus, there are 6,986,604 stock options issued and outstanding, 5,586,604 of which are each exercisable for one Common Share at a price of $0.50 until September 28, 2027, and 1,400,000 of which are each exercisable for one Common Share at a price of $1.00 until July 13, 2028.

The stock options were granted on September 28, 2022, March 29, 2023 and July 13, 2023. See "*Outstanding Stock Options*".

Zefiro Methane Prior Sales and Milestone Issuances (preceding the Transaction)

On March 29, 2022, Zefiro Methane completed a private placement of 13,000,000 common shares of Zefiro Methane ("**Zefiro Methane Shares**") at a price of $0.005 per Zefiro Methane Share for gross proceeds of $65,000.

On April 4, 2022, Zefiro Methane completed a private placement of 12,000,000 units of Zefiro Methane ("**Zefiro Methane Units**") at a price of $0.02 per Zefiro Methane Unit and 4,000,000 Zefiro Methane Shares at a price of $0.02 per Zefiro Methane Share for aggregate gross proceeds of $320,000. Each Zefiro Methane Unit comprised of one Zefiro Methane Share and one Zefiro Methane Share purchase warrant, exercisable for an additional Zefiro Methane Share at an exercise price of $0.10 for a period of five years from the date of issuance.

On April 25, 2022, Zefiro Methane completed a private placement of 7,000,000 Zefiro Methane Shares at a price of $0.15 per Zefiro Methane Share for gross proceeds of $1,050,000.

On June 30, 2022, Zefiro Methane issued 5,000,000 Zefiro Methane Shares under a milestone agreement with XMST at a price of $0.02 per share for total gross proceeds of $100,000. The Zefiro Methane Shares were issued by Zefiro upon achievement of the following milestones:

1) 1,500,000 Zefiro Methane Shares upon Zefiro Methane appointing Talal Debs and Catherine Flax to its board of directors. This milestone was achieved on March 30, 2022. The addition of Mr. Debs and Ms. Flax to Zefiro Methane's team provided Zefiro Methane with additional required expertise to pursue its business.

2) 1,500,000 Zefiro Methane Shares upon the *Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emission Reductions from Plugging Orphaned Oil and Gas Wells in the U.S. and Canada* receiving approval from the American Carbon Registry. Although the ACR OOG Methodology had not yet been finalized by the ACR, on June 30, 2022 Zefiro Methane's board determined that the status of the ACR OOG Methodology was sufficient for the milestone to have been met. The ACR subsequently release Version 1.0 of the methodology in May 2023. The ACR OOG Methodology creates the basis under which Zefiro Methane will sell carbon credits in the market generally.

3) 2,000,000 Zefiro Methane Shares upon the verification of the first voluntary carbon credit related to abandoned and orphaned oil and gas wells. On June 30, 2022, Zefiro Methane's board determined that this milestone had been met, referring to an earlier independent study from March 2015 on the generation of carbon credits for plugging and abandoning of wells. Verification of the first voluntary carbon credit related to abandoned and orphaned wells confirmed Zefiro Methane's ability to sell specific credits related to a project.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrowed Securities

Pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**"), securities of an issuer held by Principals (as defined herein) as of the date of the final prospectus are subject to escrow restrictions. A Principal that holds securities carrying less than 1% of the voting rights attached to an issuer's outstanding securities is not subject to escrow requirements under NP 46-201.

Under NP 46-201, a Principal is defined as:

(a) a person or company who acted as a promoter of the issuer within two years before the prospectus;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's prospectus; or

(d) a 10% holder – a person or company that:
  (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's prospectus; and
  (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of an issuer they hold will be subject to escrow requirements.

The policies of CSE require that securities of an issuer held by Related Persons (as defined herein) are required to be subject to an Escrow Agreement (as defined herein). Under the policies of the CSE, "**Related Persons**" of an issuer include a Related Entity (as defined in the policies of the CSE) of the issuer, the issuer's directors and officers, the issuer's promoter, and any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total Common Shares. There are no Related Persons of the Company that are not also Principals.

Pursuant to an escrow agreement dated [●], 2023 the ("**Escrow Agreement**") among the Company, Endeavor Trust Corporation (the "**Trustee**") and the Principals of the Company, which are XMST, Curt Hopkins, Talal Debs, Jonson Sun, Catherine Flax, the spouse of Daryl Heald, Joel Dumaresq and the spouse of Joel Dumaresq, the Principals have agreed to deposit into escrow their Common Shares, Warrants and Consideration Warrants (the "**Escrowed Securities**"). The Escrowed Securities attributed to Mr. Sun are held through GIC Merchant Bank Corporation and GICMB Venture Corp. I, both entities in which Mr. Sun is a control person. The Escrowed Securities attributed to the spouse of Daryl Heald are held through a trust. The Escrowed Securities attributed to the spouse of Joel Dumaresq are held through Diplomatic Immunity Clothing Inc., an entity in which the spouse of Joel Dumaresq is a control person.

Assuming there are no changes to the Escrow Securities initially deposited and no additional Escrow Securities are deposited, it is anticipated that the Escrowed Securities will be released in accordance with the following release schedule, as on listing the Company anticipates being an "emerging issuer":

Time or Event of Release of Escrowed Securities	Percentage of Securities to be Released	Number of Securities to be Released
On Listing Date	10%	3,337,832
6 months after Listing Date	15%	5,006,749
12 months after Listing Date	15%	5,006,749
18 months after Listing Date	15%	5,006,749
24 months after Listing Date	15%	5,006,749
30 months after Listing Date	15%	5,006,749
36 months after Listing Date	15%	5,006,749

The following tables set forth the Escrowed Securities that will be subject to the Escrow Agreement as of the date of listing:

Name of Securityholder	Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class[(1)]
X Machina Sustainable Technologies Inc.	Common Shares	16,000,000	26.1%
Curt Hopkins	Common Shares	1,000,000	1.6%
Talal Debs[(2)]	Common Shares	2,950,000	4.8%
Jonson Sun[(3)]	Common Shares	2,060,000	3.4%
Catherine Flax	Common Shares	1,000,000	1.6%
Spouse of Daryl Heald[(4)]	Common Shares	1,002,500	1.6%
Joel Dumaresq	Common Shares	250,000	0.4%
Spouse of Joel Dumaresq[(5)]	Common Shares	5,025,000	8.2%
	Total	**29,287,500**	**47.8%**

Notes:

(1) Based on 61,257,000 Common Shares issued and outstanding as at the date of this Prospectus.
(2) 1,000,000 Common Shares are held directly by Mr. Debs and 1,950,000 Common Shares are held through X Machina Capital Strategies Fund I LP, an entity in which Mr. Debs is a control person.
(3) 1,250,000 Common Shares are held through GIC Merchant Bank Corporation and 810,000 Common Shares are held through GICMB Venture Corp. I, both entities in which Mr. Sun is a control person.
(4) Held through a trust.
(5) Held through Diplomatic Immunity Clothing Inc., an entity in which the spouse of Joel Dumaresq is a control person.

Name of Securityholder	Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Jonson Sun[(1)]	Consideration Warrants	1,350,000	11.3%[(2)]
Talal Debs[(3)]	Warrants	975,000	13.2%[(4)]
Spouse of Daryl Heald[(5)]	Warrants	101,250	1.4%[(4)]
Spouse of Joel Dumaresq[(6)]	Consideration Warrants	1,500,000	12.5%[(2)]
	Warrants	164,575	2.2%[(4)]
	Total	**4,090,825**	

Notes:

(1) 1,000,000 Consideration Warrants are held indirectly through GIC Merchant Bank Corporation and 350,000 Consideration Warrants are held through GICMB Venture Corp. I, both entities in which Mr. Sun is a control person.
(2) Based on 12,000,000 Consideration Warrants issued and outstanding as at the date of this Prospectus.
(3) Held indirectly through X Machina Capital Strategies Fund I LP, an entity in which Mr. Debs is a control person.
(4) Based on 7,392,000 Warrants issued and outstanding as at the date of this Prospectus.
(5) Held through a trust.
(6) Held through Diplomatic Immunity Clothing Inc., an entity in which the spouse of Joel Dumaresq is a control person.

Escrowed Securities may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner, except as set out in the Escrow Agreement.

If the Company achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate", resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers, as if the Company had originally been classified as an established issuer.

Other Contractual Restrictions on Transfer

All 12,000,000 Common Shares issued under the August Private Placement are subject to a contractual restriction on resale for a period of six months from the date of the Company's listing on the CSE. 1,275,000 of these Common Shares are held by a Principal and are therefore concurrently subject to the release schedule set out in the Escrow Agreement.

22,000,000 of the Common Shares issued under the Securities Exchange Agreement are subject to certain contractual restrictions on transfer. The Securities Exchange Agreement provides that these Common Shares will be released from these transfer restrictions over 72 months from the date the Company is listed on the CSE (the "**Listing Date**") as follows: 10% 36 months after the Listing Date, 15% 42 months after the Listing Date, 15% 48 months after the Listing Date, 15% 54 months after the Listing Date, 15% 60 months after the Listing Date, 15% 66 months after the Listing Date, and 15% 72 months after the Listing Date. 20,000,000 of these Common Shares are held by the Principals and are therefore concurrently subject to the release schedule set out in the Escrow Agreement.

A further 12,000,000 of the Common Shares and all 12,000,000 of the Consideration Warrants issued under the Securities Exchange Agreement are subject to certain contractual restrictions on transfer. The Securities Exchange Agreement provides that these Common Shares and Consideration Warrants will be released from these transfer restrictions over 36 months from the Listing Date as follows: 10% on the Listing Date, 15% 6 months after the Listing Date, 15% 12 months after the Listing Date, 15% 18 months after the Listing Date, 15% 24 months after the Listing Date, 15% 30 months after the Listing Date, and 15% 36 months after the Listing Date. 5,000,000 of these Common Shares are held by the Principals and are therefore concurrently subject to the release schedule set out in the Escrow Agreement. 2,850,000 of these Consideration Warrants are held by the Principals and are therefore concurrently subject to the release schedule set out in the Escrow Agreement.

A further 7,000,000 of the Common Shares issued under the Securities Exchange Agreement are subject to certain contractual restrictions on transfer. The Securities Exchange Agreement provides that these Common Shares will be released from these transfer restrictions on the date which is 12 months following the Listing Date. 1,885,000 of these Common Shares are held by the Principals and are therefore concurrently subject to the release schedule set out in the Escrow Agreement.

All 2,785,000 Common Shares and any Common Shares issued upon exercise of any of the 1,392,500 Warrants issued under the May Private Placement are subject to a contractual restriction on resale for a period of nine months from the date of the Company's listing on the CSE. 877,500 of these Common Shares and 438,750 of these Warrants are held by the Principals and are therefore concurrently subject to the release schedule set out in the Escrow Agreement.

See "*Description and General Development of the Business*" for more information on the Securities Exchange Agreement.

Summary Table

The following table summarizes the aggregate Escrowed Securities subject to the Escrow Agreement plus other securities that are subject to a contractual restriction on transfer, as of the date of this Prospectus:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	56,035,000	91.5%[(1)]
Consideration Warrants	12,000,000	100%[(2)]
Warrants	2,194,575	29.7%[(3)]

Notes:

(1) Based on 61,257,000 Common Shares issued and outstanding as of the date of this Prospectus.
(2) Based on 12,000,000 Consideration Warrants issued and outstanding as at the date of this Prospectus.
(3) Based on 7,392,500 Warrants issued and outstanding as at the date of this Prospectus.

PRINCIPAL SHAREHOLDERS

Except as disclosed below, to the knowledge of the directors and officers of the Company, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over, directly or indirectly, Common Shares carrying more than 10% of the votes attached to the Common Shares:

Name of Shareholder	Type of Ownership	Number of Common Shares Owned by Shareholder	Percentage of Ownership on an Undiluted Basis[(1)]	Percentage of Ownership on a Fully-diluted Basis[(2)]
X Machina Sustainable Technologies Inc.[(3)]	Direct	16,000,000	26.1%	18.3%

Notes:

(1) Based on 61,257,000 Common Shares issued and outstanding as at the date of this Prospectus.
(2) Based on 87,636,104 Common Shares issued and outstanding on a fully-diluted basis as at the date of this Prospectus, comprising of 61,257,000 Common Shares, 12,000,000 Consideration Warrants, 7,392,500 Warrants and 6,986,604 stock options.
(3) XMST is a company controlled by Talal Debs.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Company that each of its directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this Prospectus:

Name and Province of Residence and Position	Director/ Officer Since[(1)]	Principal Occupation for the Past Five Years[(2)]	Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
Curt Hopkins London, UK CEO	September 28, 2022	Founder and director of Consilium Ventures Limited (June 2009 to present); Co-Founder of XMST (2021 to present); Founding Member of X Machina Capital Strategies (2020 to present)	1,000,000

Name and Province of Residence and Position	Director/ Officer Since[1]	Principal Occupation for the Past Five Years[2]	Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
Jeffrey Frase Florida, United States President, Corporate Development	September 28, 2022	Director at Moss Lake Partners (October 2018 to present); Senior Advisor at X Machina Capital Strategies (January 2022 to present)	0
Tina Reine Florida, United States CCO	September 28, 2022	Director of Commercialization at World Kinect Energy Services (March 2020 to October 2022); Manager & Trader of Environmental Markets at ACT Commodities (November 2017 to May 2018)	38,250
Daryl Heald[3] Tennessee, United States Director	September 28, 2022	Founder of Gratias Capital LLC (May 2022 to October 2022); Founder of Generosity Path (January 2000 to January 2021); Director of Generosity at The Maclellan Foundation (April 1997 to January 2021)	1,002,500[4]
Talal Debs Florida, United States Founder, Executive Chairman and Director	September 28, 2022	Founder and Managing Partner of X Machina Capital Strategies (October 2020 to October 2022); Founder and Chairman of XMST (July 2021 to present); Senior Advisor at Stonehaven International (June 2019 to September 2020)	18,950,000[5]
Jonson Sun[3] Ontario, Canada Director	September 28, 2022	Founder of GIC Merchant Bank Corp. (June 2017 to present); Director at Hire Technologies Inc. (November 2017 to October 2021); Director at Emerge Commerce Inc. (December 2020 to October 2021); Director at Fandom Sports Media Inc. (June 2020 to November 2020)	2,060,000[6]
Elijah Dumaresq British Columbia, Canada CFO and Corporate Secretary	May 16, 2022	Partner at Pashleth Merchant Capital (July 2021 to present); Associate at Colliers International (January 2020 to July 2021); Associate at Pashleth Merchant Capital (August 2018 to January 2020)	0
Catherine Flax[3] New York, United States Director	September 28, 2022	President of Private Markets at X Machina Capital Strategies (April 2019 to present); Managing Director at CRA, Inc (April 2019 to present).	1,000,000

Notes:

(1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.
(2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.
(3) Audit Committee member.
(4) These Common Shares are held by a trust of which Mr. Heald's spouse is the beneficiary.
(5) Mr. Debs owns 1,000,000 Common Shares directly and is also a control person of XMST and X Machina Capital Strategies Fund I LP, which own 16,000,000 and 1,950,000 Common Shares, respectively.
(6) 1,250,000 Common Shares are held through GIC Merchant Bank Corporation and 810,000 Common Shares are held through GICMB Venture Corp. I, both entities in which Mr. Sun is a control person.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or discretion over an aggregate of 21,735,000

Common Shares, which is equal to 35% of the Common Shares issued and outstanding as at the date of this Prospectus.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board. No executive officers of the Company have entered into non-competition agreements with the Company. See "*Executive Compensation*".

The Board has one committee, the Audit Committee, the members of which are Daryl Heald, Jonson Sun and Catherine Flax.

Directors' and Officers' Biographies

Curt Hopkins – Chief Executive Officer (Age: 55), full-time contractor with a non-disclosure agreement.

Curt Hopkins is the Company's CEO, having been CEO and Chairman of several tech businesses. His main responsibility is leading the team and integrating execution with market promotion.

He was the chairman of Sirenum, a scale-up SaaS business in workforce management ranked by the Financial Times as the 10th fastest growing tech company in the UK in 2021, from 2018 until it was acquired by Bullhorn in July 2021.

From 2014 until 2015, Curt was the Chief Executive Officer of Telenomics, a technology retail business. He also led the buyout of Redeem, a Sunday Times Fast Track 100 firm in the circular economy, where he was CEO from 2010 to 2012. Prior positions include senior executive roles at Vodafone, Nortel and Fujitsu.

Curt, originally from Chicago, graduated from Georgia Tech with an MSc in Management and lives just outside London, England.

Curt intends to devote approximately 100% of his working time to the affairs of the Company. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus.

Jeffrey Frase – President, Corporate Development (Age: 55), full-time employee of Zefiro Methane with a non-disclosure agreement.

Jeffrey Frase is the President, Corporate Development**,** having previously been CEO and a board member of several businesses in the commodities space. His main responsibility is corporate and business development.

From 2016 to 2017, he was the Co-CEO of the Noble Group, a publicly traded company, and was also appointed to their board of directors. Beginning in 2013, he served as President of Noble Americas (Corp.), overseeing the global oil business, Noble Americas Gas and Power (NAGP), Noble Americas Energy Solutions (NAES) and the coal and metals businesses. In 2017, Jeffrey left his roles at Noble having sold the last of Noble's energy businesses and the Noble Americas (Corp.) to Vitol.

Jeffrey has previously worked in senior commodities roles across Goldman Sachs (as Managing Director of Global Crude Oil and Derivatives), Lehman Brothers, and JPMorgan (as Global Head of Oil), overseeing their global oil businesses. He is one of the most well-respected leaders in the oil-trading business and bring specialization in the energy markets to the management team.

He has consulted on project work for private equity sponsors in Houston and New York City on acquisition and investment of companies in the midstream and renewable fuels space. He is a board member of Moss Lake Partners (since 2018), an NGL pipeline, fractionation and export terminal company and a senior advisor at X Machina Capital Strategies (since 2022), an energy transformation fund.

He graduated from Lehigh University where he majored in Finance, and now lives in Ocean Ridge, FL.

Jeffrey intends to devote approximately 100% of his working time to the affairs of the Company. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus.

Tina Reine – Chief Commercial Officer (Age: 57), full-time employee of Zefiro Methane with a non-disclosure agreement.

Tina Reine is Chief Commercial Officer and brings great experience and leadership in the carbon markets space. Her main responsibility is overseeing carbon projects from methodology to development and issuance and selling to the carbon markets.

From 2020 to 2022, she was Director of Commercialization for the carbon offset market at World Kinect Energy Services, where she was responsible for both structuring deals and origination. Tina started her environmental markets career in London at Cantor Fitzgerald's Environmental Markets group in 2007, selling forward contracts on carbon offsets. While part of the team there, she joined in the policy debate at the Houses of Parliament to develop standards and registries for the voluntary trading market.

Tina has previously worked at JPMorgan (from 2007 until 2008) and NextEra Energy (from 2008 until 2011), helping build out the environmental markets division for both and managing an equity investment portfolio of carbon projects. She has traded in both the compliance and the voluntary markets. Tina earned her MBA from Columbia Business School.

Tina intends to devote approximately 100% of her working time to the affairs of the Company. To her knowledge, all of her employers during the last five years are carrying on business as of the date of this Prospectus.

Talal Debs – Founder, Executive Chairman and Director (Age: 53), contractor with a non-disclosure agreement.

Talal Debs is the Founder of the Company and is the Executive Chairman of the Board. He brings experience as a founder, leader, and academic in the energy and commodity sectors. His main responsibility is driving value creation and fundamental development.

Talal is the founder and managing partner of X Machina Capital Strategies (founded in 2020), a foundational platform for energy and commodity investment. He has more than eight years' experience as a researcher and lecturer in quantum mechanics and relativity theory. He has served as a post-doctoral research fellow at Harvard University, and on the faculties of the London School of Economics and Political Science, and the American University of Beirut. Talal was also the former chair of JPMorgan's oil price deck committee, amongst other high-level leadership roles.

He has an AB in physics and the history of science from Harvard College, an MPhil in history and philosophy of science, as well as his PhD in the foundations of modern physics from the University of Cambridge. He currently lives in Fort Lauderdale, FL.

Talal intends to devote approximately 30% of his working time to the affairs of the Company. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus.

Catherine Flax – Director (Age: 58), contractor with a non-disclosure agreement.

Catherine Flax is a director. She brings extensive leadership and experience as a coach, advisor, mentor, board member and trustee from building successful businesses in financial services, technology,

professional services, and commodities. Her main responsibility is to work alongside the chair to create value.

Catherine is the President of Private Markets at X Machina Capital Strategies, a role she has served in since 2021. From 2016 until 2018, Catherine served as CEO of Pefin, the world's first artificial intelligence financial advisor. Earlier (from 2013 to 2016), she worked at BNP Paribas, where she served as Managing Director, Head of Commodities, Foreign Exchange and Local Markets Americas. Catherine also worked at J.P. Morgan (from 2005 to 2013), serving as both CMO globally, as well as CEO, commodities EMEA. She has also previously served as a board member for J.P. Morgan Securities, Limited, Digital Asset Holdings, and the Securities Industry and Financial Markets Association (SIFMA). Catherine also led and co-founded the team that represented the first major financial institution in the carbon offset market.

Catherine earned her BS in economics from Texas A&M University and her MA in economics from Brown University. In 2011, she was named the "Most Influential Woman in European Investment Banking". Catherine currently serves on the boards of some of the world's most innovative companies including ISO New England, Amperon, Abaxx Technologies and BASE Carbon. She also is a board member of the Aggies on Wall Street Program at Texas A&M University, as well as a trustee at the Holy Family Church in New York City.

Catherine intends to devote approximately 30% of her working time to the affairs of the Company. To her knowledge, all of her employers during the last five years are carrying on business as of the date of this Prospectus.

Daryl Heald – Director (Age: 58), with a non-disclosure agreement.

Daryl Heald is a director. He began his career as a commercial real estate broker in Atlanta, GA. In 1997 he joined the Maclellan Foundation serving on the executive committee and helping to lead its global grant-making strategy. Beginning in 2000, while at Maclellan, Daryl helped to launch several organizations: Generous Giving, Giving Wisely, and Generosity Path. The majority of his time now is spent with Generosity Path operating in over 70 countries and 30 languages.

He is also active in the global family office space encouraging families to collaborate particularly around philanthropy.

Another area of interest is impact investing, he loves finding great people with great ideas that are solving big problems while helping others. Daryl currently serves on ten boards in both the for-profit and not-for-profit arenas.

Daryl holds a BS in Economics from Westmont College and lives with his family in Lookout Mountain, Georgia, USA.

Daryl intends to devote approximately 30% of his working time to the affairs of the Company. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus.

Jonson Sun – Director (Age: 33), contractor with a non-disclosure agreement.

Jonson Sun is a director. Jonson is the founder of GIC Merchant Bank Corp. (founded in 2017), which has diversified business interests across Canada, the United States, South Africa and the United Arab Emirates. Before founding GIC Merchant Bank, Jonson Co-Founded GIC, a diversified financial services holding company with its subsidiaries operating under IIROC, FINRA and exempt market dealer registrations. Jonson also currently serves on multiple boards, including Emerge Commerce Ltd., a company he is the co-founder of (founded in 2015), Hire Technologies Inc. (since 2017), and previously ArcPoint Group LLC (from 2021 until 2022). Jonson is also active in faith-based impact investments as

well as non-profit organizations. He served on the board of Kore Alliance, a non-profit global family alliance, and as the strategic advisor to the Thompson Family Office.

Jonson intends to devote approximately 30% of his working time to the affairs of the Company. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus.

Elijah Dumaresq – Chief Financial Officer and Corporate Secretary (Age: 25), contractor with a non-disclosure agreement.

Elijah Dumaresq is the Chief Financial Officer and Corporate Secretary of the Company. Prior to his position at the Company, Mr. Dumaresq worked as an advisor and consultant to numerous public companies. These companies include TAAT Lifestyle and Wellness, Christina Lake Cannabis Corp., DeepMarkit Corp., and Wellbeing Digital Sciences Inc. He has been instrumental in helping various companies secure Series A, Series B and Go-Public financing from U.S. and Canadian based VC's, family offices and brokerage firms. From 2018 to 2022, he has been directly involved in the growth and financing of publicly-listed companies. Mr. Dumaresq previously worked at Colliers International, specializing in the underwriting and brokerage of industrial assets for institutional investment groups. He has a Bachelor of Economics Degree from McGill University in Montreal, Quebec, and a Real Estate Diploma from the University of British Columbia.

As Chief Financial Officer, he is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

Elijah intends to devote approximately 100% of his working time to the affairs of the Company. To his knowledge, all of his employers during the last five years are carrying on business as of the date of this Prospectus.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above paragraph, "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Jonson Sun is a director of Hire Technologies Inc. On May 5, 2023 the Ontario Securities Commission issued a failure to file cease trade order for Hire Technologies Inc.'s failure to file its annual audited financial statements, management's discussion and analysis, and certification of annual filings for the year ended December 31, 2022. The order is active as of the date hereof.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Curt Hopkins was a director of a private UK company called Hamilton Brady Limited. In 2016, the entity conducted a voluntary liquidation under the Insolvency Act 1986, wherein representatives of Begbies Traynor (Central) LLP were appointed as liquidators. Following the liquidation proceedings, Hamilton Brady Limited was dissolved in October 2016.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of the Company's knowledge, and other than as disclosed in the following paragraph, there are no known existing or potential conflicts of interest among the Company, its directors and officers or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests.

Certain of the directors and officers currently serve as directors and officers of other private and public companies (including resource exploration companies). Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations (including resource exploration properties), and situations may arise where these directors and officers may be serving another corporation with interests that are in direct competition with the Company. In the event of any conflicts of interest, such conflicts must be disclosed to the Company and dealt with in accordance with the provisions of the *Business Corporations Act* (British Columbia).

EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing the compensation of its directors and named executive officers in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers.*

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following tables provide information regarding compensation paid, payable, awarded to, or earned by the Chief Executive Officer, Chief Financial Officer, the Chief Compliance Officer, the Head of Operations and the President, Corporate Development (together, the "**Named Executive Officers**") and any director

who is not a Named Executive Officer for the financial years ending June 30, 2023 (for the Company) and June 30, 2022 (for Zefiro Methane, as the reverse takeover acquirer for accounting purposes). There were no other executive officers of the Company or Zefiro Methane or individuals who individually earned more than $150,000 in total compensation.

Company – Financial Year Ended June 30, 2023

Name and Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of All Other Compensation ($)	Total Compensation ($)
Curt Hopkins, CEO	2023	256,921	Nil	Nil	Nil	Nil	256,921[(1)]
Elijah Dumaresq, CFO and Corporate Secretary	2023	77,500	Nil	Nil	Nil	Nil	77,500[(2)]
Daryl Heald, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
Talal Debs, Founder, Executive Chairman and Director	2023	131,980	Nil	Nil	Nil	Nil	131,980
Jonson Sun, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
Catherine Flax, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
Tina Reine, CCO	2023	297,463	Nil	Nil	Nil	Nil	297,463
Matthew Brooks, Head of Operations	2023	252,279	Nil	Nil	Nil	Nil	252,279
Jeffrey Frase, President, Corporate Development	2023	202,676	Nil	Nil	Nil	Nil	202,676

Notes:

(1) Paid to Mr. Hopkins through Consilium Ventures Ltd.

(2) Paid to Mr. Dumaresq through 1325118 B.C. Ltd.

Zefiro Methane – Financial Year Ended June 30, 2022

Name and Position[(1)]	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of All Other Compensation ($)	Total Compensation ($)[(1)]
Elijah Dumaresq, CFO and Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Curt Hopkins, CEO and Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Talal Debs, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Joel Dumaresq, Director[(2)]	2022	Nil	Nil	Nil	Nil	Nil	Nil
Catherine Flax, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Daryl Heald, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil

Name and Position[(1)]	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of All Other Compensation ($)	Total Compensation ($)[(1)]
Jonson Sun, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
Tina Reine, CCO	2022	33,133	Nil	Nil	Nil	Nil	33,133
Matthew Brooks, Head of Operations	2022	19,789	Nil	Nil	Nil	Nil	19,789

Note:

(1) Jeffrey Frase is not included in the above table as he was not appointed as the President, Corporate Development of Zefiro Methane until after the financial year ended June 30, 2022.

(2) Joel Dumaresq was a director of Zefiro Methane until his resignation on March 30, 2022.

Following listing of the Company's Common Shares on the CSE, the Company anticipates that it will pay executive compensation over the next 12 months as follows:

Name and Position	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of All Other Compensation	Total Compensation
Curt Hopkins CEO	US$250,000	Nil	Nil	Nil	US$3,440	US$253,440
Elijah Dumaresq, CFO and Corporate Secretary	US$192,000	Nil	Nil	Nil	Nil	US$192,000
Tina Reine CCO	US$200,000	Nil	Nil	Nil	US$23,280	US$223,280
Jeffrey Frase President, Corporate Development	US$200,000	Nil	Nil	Nil	US$29,240	US$229,240
Talal Debs Founder, Executive Chairman and Director	US$250,000	Nil	Nil	Nil	Nil	US$250,000
Matthew Brooks, Head of Operations	US$175,000	Nil	Nil	Nil	Nil	US$175,000

No other compensation is anticipated to be paid to any other officer or director of the Company following completion of the listing on the CSE.

Stock Options and Other Compensation Securities

The following table provides information regarding the grant of stock options to Named Executive Officers and directors of the Company during the financial year ended June 30, 2023. See "*Options to Purchase Securities*".

Name and Position	Type of Compen sation Security	Number of compensation securities, number of underlying securities, and percentage of class[(1)]	Date of issue or grant	Issue, conversi on or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
Curt Hopkins, CEO[(2)]	Stock options	1,461,800 (20.9%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
Elijah Dumaresq,	Stock options	146,180 (2.1%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027

Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class[1]	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
CFO and Corporate Secretary							
Daryl Heald, Director	Stock options	204,652 (2.9%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
Talal Debs, Founder, Executive Chairman and Director	Stock options	584,720 (8.4%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
Jonson Sun, Director	Stock options	204,652 (2.9%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
	Stock options	200,000 (2.9%)	July 13, 2023	$1.00	N/A	N/A	July 13, 2028
Catherine Flax, Director	Stock options	204,652 (2.9%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
Tina Reine, CCO	Stock options	877,080 (12.6%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
Matthew Brooks, Head of Operations	Stock options	438,540 (6.3%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027
Jeffrey Frase, President, Corporate Development	Stock options	1,315,620 (18.8%)	September 28, 2022	$0.50	N/A	N/A	September 28, 2027

Note:

(1) Based on 6,986,604 stock options outstanding as of the date of this Prospectus.
(2) Issued to Consilium Ventures Ltd.

No holders of stock options exercised any such stock options during the financial year ended June 30, 2023.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (defined herein as the "**Plan**") which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long-term incentive scheme. See "*Options to Purchase Securities*".

Employment, Consulting and Management Agreements

The Company has employment, consulting or management agreements with certain of its directors and officers.

Oversight and Description of Director and Name Executive Officer Compensation

The board of directors has the responsibility for determining compensation for the directors and senior management (including the Named Executive Officers). A peer group is not used to determine compensation, and there are no performance-based compensation arrangements for any directors or officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, there was no indebtedness owing to the Company from any of its directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

AUDIT COMMITTEE

General

As the Company is a "venture issuer" (as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")), it is relying on the exemptions provided to it under section 6.1 of NI 52-110 with respect to the composition of the audit committee and with respect to audit committee reporting obligations. The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the Board.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Name	Independence	Financially Literate
Jonson Sun	Independent(1)	Financially literate(2)
Catherine Flax	Independent(1)	Financially literate(2)
Daryl Heald	Independent(1)	Financially literate(2)

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Each of Ms. Flax, Mr. Heald and Mr. Sun are independent. All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all of the Audit Committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the

Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

In particular, the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Jonson Sun	Mr. Sun is a seasoned corporate finance professional currently the CEO of GIC Merchant Bank Corp which has various investments in North America, Asia and Middle East. He is currently audit committee member for Hire Technologies Inc. (TSXV:Hire), and Emerge Commerce Inc. (TSXV:ECOM), as well as audit committee member of ArcPoint Group LLC (Private).
Catherine Flax	Ms. Flax earned her BS in economics from Texas A&M University and her MA in economics from Brown University. She has served and serves on the boards or advisory boards of numerous public and private companies, and is currently Chair of the Audit Committee for the Independent System Operator – New England (the entity that manages the electrical grid), and also for Abaxx Technologies Inc., a Canadian public company.
Daryl Heald	Mr. Heald has built his career in commercial real estate including a 4 year tenure at Allen Morris Co. as a Resource Management Consultant. He currently sits on twelve boards for family offices and foundations including the "Maclellan Foundation", "Crown Financial Ministry", and "Provision Health Care" where he provides financial and operational oversight. Mr. Heald holds a B.S. Degree in economics from Westmont College and has been a featured speaker at the Southeastern Council of Foundations, TimeOut, The Gathering, as well as many other industry conferences.

See "*Directors and Officers*".

Audit Committee Oversight

At no time since the beginning of the fiscal year ended June 30, 2023 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board. The Company previously had a fiscal year end of December 31. Following the Transaction, the Company changed its fiscal year end to June 30 to align with the fiscal year end of Zefiro Methane.

Reliance on Certain Exemptions

At no time since the beginning of the fiscal year ended June 30, 2023 has the Company relied on the exemption provided in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). It is not anticipated that the Company will rely on any of the above exemptions.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to the prior approval of the Audit committee. It is not anticipated that the Company will adopt specific policies and procedures.

External Auditor Service Fees

The aggregate fees billed by the external auditors to the Company for the fiscal year ended June 30, 2023 are as follows:

Period Ended	Audit Fees(1)	Tax Fees(2)	All Other Fees(3)	Total(4)
June 30, 2023	$20,000	$0	$0	$20,000

Notes:
(1) "Audit Fees" are the fees billed for the audit of the Company's financial statements during the financial year ended June 30, 2023, including accounting consultations, a review of matters reflected in the financial statements and audit or other services required by legislation or regulation.
(2) "Tax Fees" are fees other than those included in Audit Fees for tax services.
(3) "All Other Fees" include all other non-audit services.
(4) The fees in respect of the fiscal year ended June 30, 2023 are estimates only, as the auditor has not confirmed which fees are audit specific and which are specific to their review of the Prospectus and other matters.

The aggregate fees billed by the external auditors to Zefiro Methane (as the reverse takeover acquirer of the Company for accounting purposes) for the period ended June 30, 2022 are as follows:

Period Ended	Audit Fees(1)	Tax Fees(2)	All Other Fees(3)	Total
June 30, 2022(1)	$20,000	$0	$0	$20,000

Notes:
(1) "Audit Fees" are the fees necessary to perform the audit of the Zefiro Methane's financial statements for the period ended June 30, 2022.
(2) "Tax Fees" are fees other than those included in Audit Fees for tax services.
(3) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Charter

The Audit Committee's charter is attached as Appendix 11.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") establishes certain guidelines with respect to corporate governance matters such as the constitution of and the functions to be performed by the Company's board. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

Board of Directors

The Board is comprised of Talal Debs (Chair), Catherine Flax, Daryl Heald and Jonson Sun. Talal Debs is not considered to be independent within the meaning of NI 52-110. For the purposes of NI 52-110, a director is considered "independent" if, among other things, he or she has no direct or indirect material relationship with the Company. A material relationship is one which could, in the view of the Company's board, be reasonably expected to interfere with the exercise of a member's independent judgment. Talal Debs is not considered to be independent because he is the Executive Chairman and the Founder of the Company, and is also a control person of the Company through his own shareholdings and the shareholdings of XMST and X Machina Capital Strategies Fund I LP (of which he controls both entities).

To safeguard independence, the independent directors are encouraged to have open and frank discussions at the regularly scheduled meetings and, if necessary, require that the non-independent directors leave the meeting while such discussions are undertaken.

Other Directorships

The directors of the Company are presently directors of other reporting issuers, as follows:

Name	Name of Reporting Issuer	Exchange	Position(s)
Catherine Flax	Abaxx Technologies Inc.	Cboe	Director
	Base Carbon Inc.	Cboe	Director
Jonson Sun	Hire Technologies Inc.	TSXV	Director
	Emerge Commerce Ltd.	TSXV	Director

Orientation and Continuing Education

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Given the Company's current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the directors, including both formal and informal discussions among directors and the President of the Company.

Compensation

The Company does not have a Compensation Committee. Compensation matters for the Company's directors and officers are dealt with by the full Board. The Board meets to discuss and determine director and management compensation without reference to formal objectives, criteria or analysis.

Other Board Committees

The only Board committee of the Company is the Audit Committee.

Assessments

The Board annually reviews its own performance and effectiveness. Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by

comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other directors, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

PLAN OF DISTRIBUTION

General

Pursuant to an underwriting agreement dated [●], 2023 among the Company and the Underwriters (the "**Underwriting Agreement**"), the Company has agreed to issue and sell [●] Common Shares, and the Underwriters have agreed to purchase on Closing such Common Shares at a price of [$●] per Common Share, payable in cash to the Company against delivery of the Common Shares on the Closing Date or such later date as may be agreed pursuant to the Underwriting Agreement, but no later than [●], 2023, for aggregate gross proceeds of $3,000,000 to the Company, subject to and in compliance with all of the necessary legal requirements and conditions contained in the Underwriting Agreement.

In consideration for its services in connection with the Offering, the Company has agreed to pay the Underwriters' Commission, which is equal to [$●] per Common Share (representing 6% of the gross proceeds of the Offering).

Prior to the Offering, there was no public market for the Common Shares. The Offering Price of [$●] per Common Share was determined by negotiation between the Company and the Underwriters. In accordance with the policies of the CSE, and the Underwriters propose to offer the Common Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Common Shares at the price specified on the cover page of this Prospectus, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page of this Prospectus, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Common Shares is less than the price paid by the Underwriters to the Company. Any such reduction will not affect the net proceeds received by the Company.

The Underwriters may form a sub-selling group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Underwriters out of their fees. The obligation to pay the sub-underwriting fee is an obligation of the Underwriters and the Company is not responsible for ensuring that any dealer receives this payment from the Underwriters.

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the Over-Allotment Option, which is exercisable, in whole or in part, at any time and from time to time for a period of 30 days after Closing to purchase from us up to an additional [●] Common Shares (representing 15% of the aggregate number of Common Shares sold in the base Offering) on the same terms as set forth above for the purpose of covering the Underwriters' over-allocation position, if any. If the Over-Allotment Option is exercised in full, the total price to the public will be $3,450,000 and the Underwriters' Commission will be $207,000. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares to be delivered upon the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires such Common Shares under this Prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Under the terms of the Underwriting Agreement, the Underwriters may, at their discretion, terminate the Underwriting Agreement upon the occurrence of certain events, "material change out", "disaster out",

"breach out", and "market out" conditions and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares that they have agreed to purchase if any of the Common Shares are purchased under the Underwriting Agreement.

Under applicable securities laws in Canada, certain persons and individuals, including the Company and the Underwriters, have statutory liability for any misrepresentation in this Prospectus, subject to available defences. The Company has agreed to indemnify the Underwriters and its directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under securities legislation in Canada, and to contribute to any payments that the Underwriters may be required to make in respect thereof.

The Offering will be conducted by the Underwriters the provinces of British Columbia, Alberta and Ontario, subject to compliance with all legal requirements and the terms and conditions contained in the Underwriting Agreement. For a summary of the material attributes and characteristics of the Common Shares and certain rights attaching thereto, see "*Description of the Securities to be Distributed*".

Subscriptions will be received subject to rejection or allotment in whole or in part by the Underwriters and the right is reserved to close the subscription books at any time without notice. It is intended that Closing will occur on or about [●], 2023 or such other date as may be agreed upon by the Company and the Underwriters. In any event, the Common Shares are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of receipt for the final prospectus (the "**Closing Date**").

There is currently no market through which any of the securities of the Company, including the Common Shares sold under the Offering, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this Prospectus.

The Common Shares have not been and will not be registered under the U.S. Securities Act or any securities laws of any state of the United States, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and all applicable state securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Common Shares in the United States.

It is anticipated that the Common Shares will be issued as non-certificated book-entry securities through CDS or its nominee. Consequently, purchasers of Common Shares are expected to receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Common Shares were purchased and no certificate evidencing the Common Shares will be issued. Registration will be made through the depository services of CDS.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or slowing a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include over-allocating or making short sales of the Common Shares, which involves the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the price at which it may purchase Common Shares from the Company through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there maybe downward pressure on the price of the Common Shares in the open market.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces ("**UMIR**"), the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the CSE, including UMIR, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or otherwise.

Standstill

Pursuant to the Underwriting Agreement, for a period beginning on the Closing Date and ending 120 days after the Closing Date, the Company has agreed it will not, directly or indirectly, without the consent of the Underwriters, (i) offer, issue, grant any stock option, right or warrant to purchase, or otherwise transfer or dispose of any Common Shares, financial instruments or securities convertible into or exercisable or exchangeable for Common Shares or announce any intention to do any of the foregoing, in a public offering, by way of private placement or otherwise (except pursuant to the Plan and approved by the Underwriters and the potential exercise by the Company of the option to purchase an additional 5% interest in P&G pursuant to the Option and Purchase Agreement) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether any such transaction is to be settled by delivery of Common Shares, other securities, cash or otherwise.

Lock-Up Arrangements

Pursuant to the Underwriting Agreement, for a period beginning on the Closing Date and ending 180 days after the Closing Date, the officers or directors of the Company who would own an interest in the Company or any of its affiliates after the Closing Date, and certain shareholders of the Company as agreed, have agreed not to directly or indirectly, (i) offer, sell, contract to sell, secure, pledge, grant or sell any option, right or warrant to purchase, or otherwise lend, transfer or dispose of any Common Shares or securities convertible into or exercisable or exchangeable for Common Shares or (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether any such transaction is to be settled by delivery of Common Shares, other securities, cash or otherwise.

Listing of Common Shares on the Exchange

The Company has applied to list its Common Shares on the CSE. Listing of the Common Shares on the CSE will be subject to the Company fulfilling all of the requirements of the CSE. Confirmation of the Listing of the Common Shares on the CSE as of the Closing Date is a condition of Closing.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Cboe Canada, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

An investment in the Common Shares is speculative and involves a high degree of risk due to the nature of the industries the Company operates in and the present stage of the development of its business. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Prospective investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Prospectus.

No Assurance of Profitability

The Company has no history of earnings (excluding earnings by P&G prior to the closing of the P&G Transaction) and due to the nature of its business there can be no assurance that the Company will be profitable. As such, the Company is subject to all the business risks and uncertainties associated with starting a new business, including the risk that the Company will not achieve its financial objectives or targets as estimated by its management. The only potential source of additional funds presently available to the Company is through the sale of its securities, short-term high-cost borrowing or a sale of the assets of P&G (to the limited extent possible); however, there is no assurance that any such funds will be available on favorable terms, or at all. The Company does not currently hold any carbon credits and if any carbon credits are acquired or generated by the Company there can be no assurance that funds will be available from the sale of any such carbon credits. While the Company may generate additional working capital through further equity offerings, short-term borrowing or, if first acquired by the Company, through the sale of any carbon credits it generates, there is no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk. The nature of the Company's business is highly speculative and there is a consequent risk of loss of investment in the Company. The success of the Company's activities will depend on management's ability to implement its strategy and on the availability of opportunities related to carbon credit trading and GHG emission avoidance, reduction and sequestration programs; government regulations; commitments to reduce GHG emissions by corporations, organizations and individuals; and general economic conditions. Although management is optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that the Company will successfully execute profitable generation of carbon credits. Its future growth and prospects will depend on its ability to expand its business while at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results of operations. The Company has sought and will continue to seek to develop projects that generate carbon credits In pursuit of such opportunities, the Company may fail to identify or select appropriate projects, or negotiate acceptable arrangements, including arrangements to finance the projects. The Company may be unable to identify or select appropriate projects in the numbers or at the pace it currently expects for a variety of reasons, including, among other things, the following: (i) the demand for carbon credits failing to develop sufficiently or taking longer than expected to develop; (ii) issues related to identifying, engaging, contracting, compensating and maintaining relationships with relevant government organization or owners of projects or negotiate agreements; (iii) issues related to the verification and validation of carbon credits, construction, permitting, the environment, and governmental approvals with respect to projects that generate carbon credits or methane monitoring; (iv) a reduction in government incentives or adverse changes in policy and laws with respect to carbon credits and methane monitoring; (v) competition for the projects the Company wishes to

engage in, and (vi) other government or regulatory actions that could impact the Company's business model.

Concentration Risk

The primary business of the Company is providing end-of-life solutions for industrial oil and gas operations that currently or potentially emit harmful greenhouse gas emissions, specifically methane released from orphaned and abandoned oil and gas wells. Given the concentration of the Company's exposure to carbon credits and upstream oil and gas, the Company's business will be more susceptible to adverse economic or regulatory occurrences affecting carbon credits, carbon markets, and plugging and abandonment operations than a more diversified business.

Global Policy Developments

The Company is subject to changing and future global policy developments over which it has no control. Carbon markets are developing and are subject to developing global policy. There is uncertainty regarding impact of global policy developments, including resolution of Article 6 of the Paris Agreement and the role of Internationally Transferred Mitigation Outcomes ("**ITMOs**") and any developments arising from the United Nations Climate Change Conference (COP26). Future global policy development may positively or adversely affect the Company and its business.

Elimination of Carbon Tax

The existence of the carbon tax in many jurisdictions is one the factors contributing to the demand for the Company's products and services. In the event that carbon tax is eliminated from the current environmental policy and legislative regime in certain jurisdictions, there is a risk of reduced revenue. While the Company does not anticipate a move away from the carbon tax regime, there is no guarantee that governments, which periodically see changes in leadership, will not eliminate carbon tax regimes.

Evolving Carbon Market

The carbon market is a rapidly evolving market where technologies are in early stages of adoption. Accordingly, the Company's business and future prospects may be difficult to evaluate. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Company's ability to do the following:

- generate sufficient revenue to achieve or maintain profitability;
- acquire and maintain market share;
- achieve or manage growth in operations;
- develop and renew contracts;
- attract and retain highly-qualified personnel;
- adapt to new or changing laws and policies and environmental and spending priorities of governments and government agencies; and
- access additional capital when required and on reasonable terms.

If the Company fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

Lack of Liquidity and High Volatility of Voluntary Carbon Markets

Carbon markets, particularly the Voluntary Carbon Markets, are still evolving and there are no assurances that the carbon credits when and if purchased by the Company or generated by the Company's projects will find a market. The carbon credit market, particularly the Voluntary Carbon Markets, have experienced a high level of price and volume volatility. There is, or there may be in the future, a lack of liquidity for the purchase or sale of carbon credits. The Company may not be able to purchase or sell the volume of

carbon credits it desires in a timely manner or at attractive prices. The pool of potential purchasers and sellers is limited, and each transaction may require the negotiation of specific provisions. Accordingly, a purchase or sale may take several months or longer to complete. In addition, as the supply of carbon credits is limited, the Company may experience difficulties purchasing carbon credits. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on Company's cash flows, result of operations and assets, and therefore on the value of the Company's securities.

Fluctuating Price of Carbon Credits

The price at which Common Shares are traded will be influenced by a number of factors, some specific to the Company and some which may affect listed companies generally. The principal factors anticipated to affect the price of the Common Shares are factors which may affect the price of carbon credits and are thus beyond the Company's control. Other factors could include the performance of the Company, the margins generated on its projects, project backlogs, legislative and regulatory changes and general economic, political or regulatory conditions, including the level of commitment to the goals of the Paris Agreement by both governments and corporations and other private and public initiatives aimed at reducing GHG emissions. Changes in government priorities as a result of government deficits or as a result of changes in the prevailing views concerning the impact of GHGs on climate change could adversely affect the demand for carbon credits and thereby their price. Interpretation and enforcement of environmental legislation will vary by country and is subject to sudden change. Carbon credit prices will also be influenced by infrastructure and technological advances in reducing and sequestering GHG emissions, and the economics associated with those activities. There can be no assurance that continual fluctuations in the price of carbon credits will not occur. In addition, carbon credits are traded in both the compliance and Voluntary Carbon Markets and the price for a carbon credit varies according to not only the market on which it is traded, but also according to its type, location, vintage, accreditation and additional social and environmental attributes. It is likely that the market price for the Company's carbon credits will be subject to market trends generally.

Reduced Demand for Carbon Credits

The demand for, and the market price of, carbon credits can be adversely affected by any number of factors, including the implementation of lower emission infrastructure, an increase in the number of projects generating carbon credits, invention of new technology that assists in the avoidance, reduction or sequestration of emissions, increased use of alternative fuels, a decrease in the price of conventional fossil fuels, increased use of renewable energy, and the implementation and operation of carbon pricing initiatives such as carbon taxes and emission trading systems ("**ETSs**"). There can be no assurance that carbon pricing initiatives or compliance or Voluntary Carbon Markets will continue to exist. Carbon pricing initiatives may be subject to policy and political changes and, may otherwise be diminished, terminated or may not be renewed upon their expiration. In addition, the demand for carbon credits is driven by the social and political will to reduce GHG emissions globally. Without such social and political will, the marketplace for carbon credits would cease to exist and there would be no place for the Company to buy and sell carbon credits. Even if such marketplaces still exist, without the social and political will to reduce GHG emissions, the price of carbon may fall to an unsustainably low price, preventing profitability of the Company.

Validation, Registration, Verification, Cancellation and Other Risks Associated With Carbon Credits

In seeking to acquire and grow over the long term a diversified and high-quality portfolio of projects that generate carbon credits over the long term, the Company's intention is to have all such project(s) validated through a compliance market or by an internationally recognized carbon credits standards body in the Voluntary Carbon Market, such as through voluntary carbon standard ("**VCS**") administered by Verra. The Company may also have Co-Benefits validated by standards such as the climate, community and biodiversity ("**CCB**") Standard, SOCIALCARBON or the SD Vista Standard, also administered by Verra. Any actual or proposed changes to international carbon standards or verification requirements and/or the implementation of any national or international laws, treaties or regulations by governmental

entities and/or any adverse changes to existing governmental policies with respect to carbon credits (including, without limitation, any changes to NDCs under the Paris Agreement or any other national or international initiatives) may result in a material and adverse effect on the Company's profitability, results of operation and financial condition. In addition, the Company's projects which generate carbon credits are subject to risks associated with natural disasters, which natural disasters could result in temporary or permanent damage to, or destruction of, projects that generate carbon credits. Any such natural disasters could impact the ability of the Company to generate carbon credits and therefore adversely affect the viability of any such projects, and may result in a material and adverse effect on the Company's profitability, results of operations and financial condition. Carbon pricing initiatives are based on scientific principles that are subject to debate. Carbon pricing initiatives, such as ETSs and carbon taxes, and carbon credits have arisen primarily due to relative international and scientific consensus with respect to scientific evidence indicating a correlative relationship between the rise in global temperatures and extreme weather events, on the one hand, and the rise in GHG emissions in the atmosphere, on the other hand. Failure to maintain international consensus, may negatively affect the value of carbon credits. There is no assurance that carbon markets will continue to exist. New technologies may arise that may diminish or eliminate the need for carbon markets. Ultimately, the price of carbon credits is determined by the cost of actually reducing emissions levels. If the price of credits becomes too high, it will be more economical for companies to develop or invest in lower emission technologies, thereby suppressing the demand and adversely affecting the price. Regulatory risk related to changes in regulation and enforcement of ETSs can adversely affect market behavior. If fines or other penalties for non-compliance are not enforced, incentives to purchase carbon credits will deteriorate, which can result in a fall in the price of carbon credits and a drop in the value of the Company's assets.

Carbon Trading May Become Obsolete

Carbon trading is regulated by specific jurisdictions pursuant to regional legislation or can be voluntary. When regulated (e.g., in the European Union and in the Western Climate Initiative jurisdictions), governments compel emitters to reduce their GHG emissions through technological improvements or through the purchase of carbon credits. New legislation may arise in certain jurisdictions that may render the Company's business plan and knowledge obsolete with respect to carbon credits. With respect to the voluntary trade of carbon credits, there is a significant risk that certain voluntary purchasers of carbon credits may elect to cease the purchase of carbon credits for various reasons that are inherent to their business plans, or because of changing economic, political contexts or other conditions that cannot be controlled by the management of the Company.

Competitive Conditions

There are many organizations, companies, non-profits, governments, asset managers and individuals that are buyers of carbon credits, or rights to or interest in carbon credits, and there is currently a limited supply of carbon credits, projects to generate future carbon credits and investment opportunities in carbon credits. Many competitors are larger, more established companies with substantial financial resources, operational capabilities and long track-records in carbon markets. The Company may be at a competitive disadvantage in carbon projects, acquiring carbon credits or interests in carbon credits, whether by way of purchases in carbon markets or other projects, as many competitors have greater financial resources and technical staffs. Accordingly, there can be no assurance that the Company will be able to compete successfully against other companies. The Company's inability to acquire carbon credits may result in a material and adverse effect on the Company's profitability, results of operation and financial condition.

Inaccurate Estimates of Growth Strategy

The Company's current project opportunity pipeline represents an estimate by management based on potential transactions which remain under various states of non-binding proposal and/or negotiation by the Company. There can be no assurance that the Company will be able to enter into definitive agreements for, or otherwise complete the acquisition of, all or any projects identified in the opportunity pipeline.

Inability to Repay Amounts Drawn From Line of Credit

P&G has a secured line of credit with Citizens & Northern Bank. There is no guarantee that P&G will be able to pay interest or repay amounts drawn from the line of credit when due and payable. If P&G is unable to repay the balance of line of credit and interest, it could be subject to collection proceeds, and its personal property and other assets could be seized as a result. In such instances, it is unlikely that the full value of seized personal property or assets will be realized, and the amounts attributable from such personal property and assets to outstanding amounts owed by P&G under the line of credit will likely be less than the true value of the personal property and assets to P&G. The impact of the loss of personal property and assets could have a material adverse effect on the business and operations of P&G.

Pledge of P&G Shares Against Obligations Under Note

Pursuant to the terms of the Pledge Agreement, the Pledged Shares have been pledged to the Seller by the Company against its obligations under the Note. If the Company is unable to pay amounts payable under the Note when due, the Pledged Shares could be realized on by the Seller and the Company would lose part of its interest in P&G. There is no guarantee that the Company will have sufficient funds to fulfill its obligations under the Note.

The Company Is Not Repaid Under the Loan to P&G

As part of the P&G Transaction, the Company (through Zefiro Holding) loaned US$1,000,000 to P&G, US$800,000 of which remains outstanding. There is no guarantee that the Company will paid the interest payable under the loan or that the Company will be repaid the outstanding balance of the loan by the maturity date of the loan or at all.

Project Types May Change Over Time

The generally accepted types of carbon reduction projects, including those which may be registered and/or verified by Carbon Credit Registries, have changed, and will likely change over time. For example, there has been a recent trend in the Voluntary Carbon Markets of shifting from projects that reduce or avoid GHG emissions to projects that remove GHG emissions from the atmosphere.

Management of Growth

The Company may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company’s current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Failure to Achieve Economies of Scale

The Company must generally incur significant upfront costs to expand its oil and gas well plugging services and enter new geographic regions. If the Company is unable to maintain and grow its services over time, it may not recover these upfront costs, which could have an adverse effect on its business, financial condition and results of operations. Achieving economies of scale is exacerbated by the fact that research and evaluation expenses must be incurred in a given region or project before sufficient revenue is generated to substantiate such expenditures. Additionally, the Company’s operating costs could outpace its revenue for the foreseeable future, and it may be unable to reduce its total operating costs through economies of scale such that it is unable to achieve profitability. If the Company fails to achieve appropriate economies of scale its business, financial condition and results of operations could be materially adversely affected.

Acquisition Strategy

In the normal course, the Company is expected to evaluate and consider regularly, and may be engaged in discussions and negotiations with respect to, potential business acquisition and project investment opportunities that it believes may assist it in achieving its business and growth plans, and in connection therewith, it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company. Future acquisitions and projects may also expose it to potential risks, including risks associated with:

- difficulties in identifying and obtaining new projects and acquisitions;
- failure to obtain all necessary rights to land access and use;
- assumptions with respect to the cost and schedule for completing construction; the integration of new operations and personnel;
- delays in deliveries or increases in the prices of equipment;
- permitting and other regulatory issues, license revocation and changes in legal requirements;
- increases in the cost of labor, labor disputes and work stoppages;
- failure to receive quality and timely performance of third-party services;
- unforeseen or hidden liabilities and cost overruns;
- the diversion of resources from the Company’s existing business and technology;
- potential inability to generate sufficient revenue to reduction new costs;
- the expenses of acquisitions;
- weather conditions, global health crises such as COVID-19, catastrophic events, including fires, explosions, earthquakes, droughts and acts of terrorism, and other force majeure events; or
- the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses.

The integration of the Company’s existing operations with any acquired business, including its acquisition of P&G, may require significant expenditures of time, attention and funds. Achievement of the benefits expected from an acquisition may require the Company to incur significant costs in connection with, among other things, implementing financial and planning systems. The Company may not be able to integrate the operations of a recently acquired business or restructure the Company’s previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Company’s management team, which may detract attention from the Company’s day-to-day operations. The acquisition of P&G poses an additional challenge, as the Company has only acquired 75% of the issued and outstanding stock of P&G. Remaining shareholders of P&G could have differing objectives than that of the Company, and could seek to challenge corporate actions made or proposed by the Company under application corporate and securities laws. This could have the effect of delaying or preventing integration of the Company’s operations with that of P&G.

In addition, any proposed acquisitions and project investments may be subject to regulatory approval.

Reputational Risks

The Company’s business, operations or financial condition may be negatively impacted because of any negative public opinion towards the Company or as a result of any negative sentiment toward, or in respect of, the Company’s reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups’ negative portrayal of the industry in which the Company operates as well as their opposition to certain projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits

and/or licenses and increased costs and/or cost overruns. The Company's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the energy industry, particularly other producers, over which the Company has no control. In particular, the Company's reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property caused by the Company's operations or due to opposition from special interest groups opposed to energy development. In addition, if the Company develops a reputation of having an unsafe work site, it may impact the ability of the Company to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against governments and energy companies may impact the Company's reputation. Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Company's reputation. Damage to the Company's reputation could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of Common Shares.

Due Diligence Risks

The due diligence process undertaken by the Company in connection with acquisitions or project investments that it undertakes or wishes to undertake, may not reveal all relevant facts in connection with an acquisition or project investment. Before making any decision, the Company will conduct, or have independent consultants conduct, due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each acquisition or investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, environmental, financial, tax, accounting, regulatory, technical and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an acquisition or investment arrangement, the Company relies on resources available, including information provided by the target of the acquisition or owner of the project, and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any opportunity may not reveal or highlight all relevant facts that may be necessary.

Dependence Upon Key Personnel

The Company is dependent upon the continued availability and commitment of its management and key employee personnel, whose contributions to immediate and future operations of the Company are of significant importance. The loss of any such members could negatively affect business operations. From time to time, the Company will also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons experienced in carbon markets and the origination, registration, selling and trading of carbon credits is limited, and competition for such persons can be intense. In addition, the number of persons skilled in the development of projects that generate carbon credits is limited. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition.

Joint Ventures and other Partnerships

The Company may enter into joint ventures or partnership arrangements with other parties in relation to its operations. Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions such as an increase or reduction of registered capital, merger, division, dissolution, amendments of constating documents, and the pledge of joint venture assets, which means that each joint venture party may have a veto right with respect to such decisions which could lead to a deadlock in the operations of the joint venture. Further, the Company may

be unable to exert control over strategic decisions pursuant to such joint venture arrangements. Any failure of such other companies to meet their obligations to the Company or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their properties and therefore could have a material adverse effect on the Company's results of operations, financial performance, cash flows and the price of Common Shares.

Conflicts of Interest

Certain directors and officers are directors and/or officers of other companies in the Voluntary Carbon Market space and as such may, in certain circumstances, have a conflict of interest, if any, which arise will be subject to and governed by procedures prescribed by the Company's governing corporate law statute which requires a director of a corporation who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under such legislation.

Internal Controls Regarding Financial Reporting and Preventing Fraud

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations, or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and adversely affect the trading price of Common Shares.

Anti-Corruption and Bribery Laws

The Company's operations are governed by, and involve interactions with, various levels of government in foreign countries. Pursuant to the Company's contractual obligations, the Company is required to comply with anti-corruption and anti-bribery laws, including the CFPOA, the FCPA, the *Bribery Act 2010* (United Kingdom) and similar laws in other countries where carbon projects are located. These laws generally prohibit companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. A company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. The Company's internal procedures and programs may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with all such applicable laws. If the Company becomes subject to an enforcement action or the Company is found to be in violation of such laws, this may have a material adverse effect on the Company's reputation and may possibly result in significant penalties or sanctions, and may have a material adverse effect on the Company's cash flows, financial condition or results of operations.

Title Risk

To the extent that the Company acquires direct interests in real property or assets, the Company will be subject to risks associated with ownership to title of any such property(ies) or asset(s). Although title reviews will be done according to industry standards prior to the purchase of or investment in any property or asset, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat a claim of the Company.

Clear title to carbon credits may also be difficult to establish with absolute certainty in all cases. Carbon credit ownership rights, specifically those generated from activities involving fugitive methane emissions, involve complex layers of ownership rights with many variables, including but not limited to, orphan versus abandoned wells and jurisdictional location. The fugitive emissions based carbon credit industry is in its early stages of development, such that there is not a well established legal framework that directly addresses specific attribution of ownership. Furthermore, such ownership determinations will vary state-by-state, as each state is responsible for the legal framework of ownership rights within its jurisdictional boarders. In addition, agreements may contain terms regarding ongoing obligations and commitments that, if not fulfilled by the Company, can result in the forfeiture of the agreement with the property or asset owners or the payment of compensation.

Permits & Licenses

The future activities of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out development of its carbon reduction projects.

Litigation

The Company may be subject to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Enforcement of Legal Rights

The Company's projects are expected to generally be located in the United States and Canada, but may in the future be located in a variety of jurisdictions around the world. In the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in the United States and Canada.

Information Technology, Cyber-Attacks, Privacy and Data Protection

The Company relies on information technology systems and networks in its operations and the administration of its business. A failure of these information systems could lead to the impairment of business processes, and there is a risk of cascading failure of information systems leading to the impairment of multiple business processes. In addition, the Company collects and stores sensitive information in the ordinary course of business, including personal information in respect of its employees and proprietary information in respect of its stakeholders, including suppliers and investors. Security breaches of the Company's information technology infrastructure, including, without limitation, cyberattacks and cyber-terrorism, or other failures of the Company's information technology infrastructure could result in disruptions to operations and other operational outages, ability to operate safely, delays, damage to assets, the environment or to the Company's reputation, diminished counterparty confidence, lost profits, lost data including, without limitation, the unauthorized release of employee or company data that is crucial to the Company's operational security or could pose other adverse outcomes, including, without limitation, material legal claims and liability or fines or penalties under applicable laws and could adversely affect its business operations and financial results. The Company's cybersecurity strategy

focuses on information technology security risk management which includes, without limitation, continuous monitoring, ongoing cybersecurity communications and training for staff, conducting third-party vulnerability and security tests, threat detection, and an incident response protocol. However, there is no assurance that the Company will not suffer a cyber-attack or an information technology failure notwithstanding the implementation of this strategy and the measures taken pursuant to that strategy, including, without limitation, as set forth above and the occurrence of any of these cyber events could adversely affect the Company's financial condition and results of operations. The Company s business operations could be targeted by individuals or groups seeking to sabotage or disrupt its information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt the Company's operations, including the safety of its operations and the availability of its facilities, or lead to unauthorized release of information or alteration of information in the Company's systems. Any such attack or other breach of the Company's information technology systems could have a material adverse effect on the Company's business and results of operations. The Company is subject to laws, directives and regulations relating to the collection, use, retention, disclosure, security and transfer of personal data. These laws, directives, and regulations, and their interpretation and enforcement continue to evolve and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing privacy and data protection requirements may cause the Company to incur substantial costs or require the Company to change its business practices. Noncompliance with the Company's legal obligations relating to privacy and data protection could result in penalties, fines, legal proceedings by governmental entities or others, loss of reputation, legal claims by individuals and customers and significant legal and financial exposure and could affect the Company's ability to retain and attract counterparties. Changes in the nature of cyber-threats and/or changes to industry standards and regulations might require the Company to adopt additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is hard to predict at this time.

Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalent. Management believes the credit risk on cash and cash equivalents is very low since the Company's cash and cash equivalents balance are held at large international financial institutions with strong credit ratings.

Reliance on Secondary Industries

The Company's business model focuses largely on the sale of environmental monitoring services, carbon credits and asset retirement to companies in other industries. As a result, there is an inherent reliance on secondary industries for generation of services and sales revenue.

Labour Shortages and Wage Inflation

The Company may not be able to find enough skilled labour to meet its needs, and this could limit growth. The Company may also have difficulty finding enough skilled and unskilled labour in the future if demand for its services increases. The demand and wages for qualified services personnel will increase as the market for the Company's services increases. This, in conjunction with recent periods of unprecedented inflation in markets in which the Company operates, and globally, could lead to higher wages that may negatively impact the ability of the Company to operate its business in a cost-effective manner.

Other factors can also affect the Company's ability to find enough workers to meet its needs. The nature of the Company's work requires skilled workers who can perform physically demanding work. Volatility in the oilfield services industry and the demanding nature of the work, however, may prompt workers to pursue other kinds of jobs that offer a more desirable work environment and wages competitive to the Company's. The Company's success depends on its ability to continue to employ and retain skilled technical personnel and qualified oilfield personnel. If the Company is unable to do so, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Emerging Technologies May Lead to Competitive Disadvantage

The industry the Company is involved in has experienced a high degree of invention and innovation. It is possible that new technologies or practices will be developed which the Company may not have access to, may not be able to afford, or otherwise may not be able to incorporate into its operations as quickly as its competitors. As a result, the Company could be at a competitive disadvantage to others in the industry which could diminish its opportunities and profitability.

Competitive Oil and Gas Services Industry

The oil and gas services industry is highly competitive. To be successful, a service provider must provide services that meet the specific needs of oil and gas producers at competitive prices. The competitive factors in the oil and gas services industry in which the Company (through P&G) operates include, among others, product and service quality and availability, technical knowledge and experience, reputation for safety, and price. The Company competes with larger oilfield service companies that have extensive financial and other resources. These companies offer a wide range of services in the geographic regions in which the Company operates. In addition, the Company competes with several regional competitors and new entrants to the markets in which the Company operates. As a result of competition or new entrants, the Company may suffer from a significant reduction in revenue or be unable to pursue additional business opportunities.

Excess Equipment Levels

Because of the long-life nature of oilfield service equipment and the lag between when a decision to purchase additional equipment is made and when the equipment is placed into service, the quantity of oilfield service equipment possessed by the Company does not always correlate with the level of demand for oilfield service equipment. Periods of high demand often spur increased capital expenditures on equipment, and those capital expenditures may add capacity that exceeds actual demand. The acquisition and maintenance costs could of such oilfield service equipment could exceed the value that the equipment is providing to the Company, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Shortage of Equipment

Access to oil and gas services equipment is highly competitive and determined based on demand, which depends on various market factors. The Company can mitigate some of this risk by entering into equipment and services agreements to ensure availability at required times. However, to the extent that the Company or its affiliates do not own oilfield service equipment, there is a risk of equipment shortage. Equipment availability fluctuates during the year, and procuring such equipment may be expensive or impossible during required times. The availability of oil and gas services equipment is subject to market demands in the oil and gas industry.

Industry Regulation

The Company currently operates its business in a regulated industry. There can be no assurances that the Company may not be negatively affected by changes in the federal, state, local or other laws or regulations or orders of any governmental or administrative body or applicable regulatory authority.

Operating Risks

The well servicing business involves many operating risks, the most significant of which include the risk of fire, explosion and blow outs, the occurrence of which, if due to the Company's actions, could result in substantial losses to the Company. The Company performs its services on the oil and gas wells of its customers. These services, if improperly programmed or implemented, could result in substantial damage to the well or the reservoir which could result in liability to the Company.

Foreign Operations and Political Risk

The Company's future projects may be focused in a particular country, countries, or region and therefore may be susceptible to adverse market, political, regulatory, and geographic events affecting that country, countries or region. Risks the Company may face with respect any country where current or future assets of the Company may be located, include unforeseen government actions, acts of god, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events. All or any of these factors, limitations, or the perception thereof could impede the Company's activities, result in the impairment or loss of part or all of the Company's interest in a project, or otherwise have an adverse impact on the Company's valuation and price of securities.

Expenditures and Liabilities from Health and Safety and Environmental Laws and Regulations

The Company is subject to increasingly stringent and complex federal, state and local laws and regulations relating to the handling, storage, disposal and use of, and exposure to, hazardous materials, and the protection of workers and the environment, including laws and regulations governing occupational health and safety standards, air emissions, chemical usage, water discharges, waste management and plant and wildlife protection. The Company incurs, and expects to continue to incur, significant capital, managerial and operating costs to comply with such health, safety and environmental laws and regulations. Violation of these laws and regulations could lead to loss of certification, damage to the Company's license to operate, loss of access to markets and substantial fines and penalties which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Because the Company provides services to companies producing oil and natural gas, it may also become subject to claims relating to the release of such substances into the environment. Some environmental laws and regulations provide for joint and several strict liability related to spills and releases of hazardous substances for damages to the environment and natural resources or threats to public health and safety. Strict liability can render a potentially responsible party liable for damages irrespective of negligence or fault. Accordingly, the Company could become subject to potentially material liabilities relating to the investigation and cleanup of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require the Company to incur costs or become the basis of new or increased liabilities that could reduce its earnings and cash available for operations.

Decline in the Demand for Services for Failure to Maintain Safety Standards

Standards for the prevention of incidents in the oilfield services industry are governed by service company safety policies and procedures, accepted industry safety practices, client specific safety requirements and health and safety legislation. In order to ensure compliance, the Company has developed and implemented safety and training programs which it believes meet or exceed the applicable standards. A key factor considered by clients in retaining oilfield service providers is safety. Deterioration of the Company's safety performance could result in a decline in the demand for the Company's services and could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Insurance Coverage

The Company requires insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. Although the Company believes that the events and amounts of liability covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected. The Company will endeavour to maintain insurance at levels that it believes are reasonable and that are typical for its industry's insurance coverage. However, in light of the novelty of the carbon credit industry, the Company cannot give any assurances that its insurance coverage is adequate for any given risk or liability, that such insurance will continue to be available on commercially reasonable terms, that all events that could give rise to a loss or liability are insured or reasonably insurable or that its insurers would be capable of honouring their commitments if an unusually high number of claims were made against their policies. Certain losses, including certain environmental liabilities and business interruption losses, are not covered by insurance.

Hazards Inherent in the Oilfield Services Industry May Not Be Fully Covered by Insurance Policies

The Company's operations are subject to hazards inherent in the oilfield services industry, such as equipment (including heavy equipment) defects and stressors, the operation of high tension lines during plugging and abandonment of wells, malfunction and failures, work on abandon or orphaned wells that have may not have been properly maintained, and natural disasters which result in fires, vehicle accidents, explosions and uncontrollable flows of well fluids and gases that can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment. These hazards could expose the Company to substantial liability for personal injury, wrongful death, property damage, pollution, contamination of drinking water and other environmental damages. The Company continuously monitors its activities for quality control and safety, and although the Company maintains insurance generally in accordance with industry standards to address certain of these risks, such insurance may not be adequate to cover potential liabilities and may not be available in the future at rates that the Company considers reasonable and commercially justifiable. The payment of any uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Force Majeure Events

The Company's operations and information systems may be vulnerable to substantial loss or damage as a result of certain disruptions, including natural disasters, national emergencies, acts of war, acts of terrorism, technological attacks, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, and the outbreak of disease (such as COVID-19) or similar events, any of which may have a material adverse effect on the Company's reputation, business, financial conditions or operating results.

Disease Outbreaks May Negatively Impact the Company

A local, regional, national or international outbreak of a contagious disease, including the novel coronavirus COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, could cause staff shortages, supply shortages and increased government regulation all of which may negatively impact the business, financial condition and results of operations of the Company. A pandemic could cause temporary or long-term disruptions in the Company's operations. "Shelter-in-place" or other such orders by governmental entities could also disrupt the Company's operations, if employees who cannot perform their responsibilities from home, are not able to report to work. Risks related to an epidemic, pandemic or other health crisis, such as COVID-19, could also lead to the complete or partial closure of one or more of the Company's facilities or operations

of its partners. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect the Company's business, financial condition and results of operations.

Tax Risk

Income tax laws relating to the oil and gas industry may in the future be changed or interpreted in a manner that adversely affects the Company. Furthermore, tax authorities having jurisdiction over the Company may disagree with how the Company calculates its income for tax purposes or could change administrative practices to the Company's detriment.

The Company will file all required income tax returns in order to be in full compliance with the provisions of the Tax Act and all other applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, such reassessment may have an impact on current and deferred taxes payable.

There is risk that governments may look to increase their tax revenues, levy additional taxes or change their tax policies in such ways which could negatively affect the Company. While the Company does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse tax policies in the future.

Dilution

The Company may sell or issue additional Common Shares or other securities in the future to finance future activities, including its growth strategy. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of Common Shares. Issuances of substantial numbers of Common Shares, subject to the rules of the CSE and any other stock exchange on which the Company's securities may be listed from time to time, or the perception that such issuances could occur, may adversely affect prevailing market prices of Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Ownership of Common Shares

A significant portion of the Company's issued and outstanding Common Shares is held by its existing executive officers, directors, promoters and holders of 5% or more of the Company's outstanding Common Shares, whose interests may differ from other investors. For example, these shareholders may support proposals and actions with which certain investors may disagree or which are not in the interests or which adversely impact the value of such investors shareholdings. These executive officers, directors, promoters and holders of 5% or more of the Company's outstanding Common Shares may be able to exercise a significant level of control over all matters requiring shareholder approval, including the election of directors, amendment of the Company's articles and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control in the Company or changes in management and could also make the approval of certain transactions difficult or impossible without the support of these shareholders, which in turn could reduce the price of Common Shares.

Resale of Shares

There can be no assurance that the publicly-traded market price of Common Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that Common

Shares will be sufficiently liquid so as to permit investors to sell their position in the Company without adversely affecting the stock price. In such event, the probability of resale of Common Shares would be diminished.

No Prior Market for Common Shares

There is currently no public market for Common Shares and there is no guarantee that the listing on the CSE will be completed. If listing is not completed, or if an active public market does not develop or is not maintained, investors might have difficulty selling their Common Shares.

Market for Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares will be affected by such volatility. An active public market for Common Shares might not develop or be sustained after the completion, if obtained, of the Listing. If an active public market for Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

The Company Does Not Intend to Pay Dividends

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and such other factors as its directors consider appropriate, and the Company may never pay dividends.

Increased Expenses as a Result of Being a Public Company

The Company expects to incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact its performance and could cause results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the CSE substantially increases expenses, including legal and accounting costs, and makes some activities more time consuming and costly. Reporting obligations as a public company and anticipated growth may place a strain on financial and management systems, processes and controls, as well as on the Company's personnel.

Failure to Maintain Listing

The Company intends to list its Common Shares on the CSE. The Company must meet continuing listing standards to maintain the listing of Common Shares on the CSE. In the event that the Company fails to comply with such listing standards and the CSE delists Common Shares, the Company and its shareholders could face significant material adverse consequences, including, but not limited to: (i) a limited availability of market quotations for Common Shares, (ii) reduced liquidity for Common Shares, (iii) a limited amount of news and analyst coverage of the Company, (iv) a decrease in the Company's ability to issue additional equity securities or obtain additional equity or debt financing in the future. As a public company, the Company is subject to evolving corporate governance and public disclosure requirements under applicable laws, which may from time to time increase both the Company's compliance costs and the risk of non-compliance, all of which could have an adverse effect on the Company.

PROMOTERS

Talal Debs is the Founder, Executive Chairman, and a director of the Company. He was the principal organizer of Zefiro Methane, and could be considered to be a promoter of the Company on the basis that the RTO resulted in Zefiro Methane's business becoming the business of the Company. The following table sets out the number and percentage of each class of voting securities and equity securities of the Company beneficially owned, or controlled or directed, directly or indirectly by Talal Debs.

Name	Designation of Class	Number of Securities	Percentage of Class
Talal Debs	Common Shares	18,950,000(1)	30.9%(2)
	Warrants	975,000(3)	13.2%(4)
	Stock Options	584,720	8.4%(5)

Notes:
(1) Mr. Debs owns 1,000,000 Common Shares directly and is also a control person of XMST and X Machina Capital Strategies Fund I LP, which own 16,000,000 and 1,950,000 Common Shares, respectively.
(2) Based on 61,257,000 Common Shares issued and outstanding as at the date of this Prospectus.
(3) Held through X Machina Capital Strategies Fund I LP, an entity in which Mr. Debs is a control person.
(4) Based on 7,392,500 Warrants issued and outstanding as of the date of this Prospectus.
(5) Based on 6,986,604 stock options issued and outstanding as of the date of this Prospectus.

Additional information about Talal Debs is disclosed elsewhere in this Prospectus in connection with his capacity as an officer and a director of the Company. See "*Directors and Officers*" and "*Executive Compensation*" for further details.

Other than as disclosed in this Prospectus, Talal Debs has not received, directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind from the Company, and the Company has not received any assets, services or other consideration from Talal Debs in return.

Joel Dumaresq, based on his involvement with Zefiro Methane, including being a director of Zefiro Methane from September 9, 2021 to March 30, 2022, could be considered to be a promoter of the Company on the basis that the RTO resulted in Zefiro Methane's business becoming the business of the Company. The following table sets out the number and percentage of each class of voting securities and equity securities of the Company beneficially owned, or controlled or directed, directly or indirectly by Joel Dumaresq.

Name	Designation of Class	Number of Securities	Percentage of Class
Joel Dumaresq	Common Shares	250,000	0.4%(1)

Note:
(1) Based on 61,257,000 Common Shares issued and outstanding as at the date of this Prospectus.

Except as disclosed below, Joel Dumaresq is not, as at the date of this Prospectus, nor was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company, that:

(a) was subject to an order that was issued while he was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after he ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above paragraph, “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Joel Dumaresq is the CFO of Cleantech Power Corp. On April 3, 2023, the British Columbia Securities Commission (the “**BCSC**”) issued the company a management cease trade order for its failure to file its annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended December 31, 2022. On June 2, 2023, the BCSC issued Cleantech Power Corp. a failure-to-file cease trade order for its failure to file the aforementioned annual filings and its interim financial statements and certifications for the period ended March 31, 2023. The order is active as of the date hereof.

Joel Dumaresq is a director and the CFO of Major Precious Metals Corp., which on January 10, 2023 was issued a cease trade order from the BCSC for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended September 30, 2022. The order is active as of the date hereof.

Joel Dumaresq is the CFO of Powertap Hydrogen Capital Corp., which on September 29, 2022 was issued a cease trade order from the BCSC for its failure to file annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended June 30, 2022. On November 16, 2022 the BCSC revoked the order because Powertap Hydrogen Capital Corp. filed the outstanding annual filings.

Joel Dumaresq is a director and the CEO of Orion Nutraceuticals Inc. On October 1, 2019 the BCSC issued the company a management cease trade order for its failure to file its annual audited financial statements, management’s discussion and analysis, and certification of annual filings for the year ended May 31, 2019. On December 4, 2019 the BCSC issued Orion Nutraceuticals Inc. a failure-to-file cease trade order for its failure to file the aforementioned annual filings and its interim financial statements and certifications for the period ended August 31, 2019. On December 5, 2019 the BCSC revoked the orders because the company filed the outstanding annual and interim filings.

Joel Dumaresq:

(a) is not as at the date of this Prospectus, nor has been within the 10 years before the date of this Prospectus, a director or executive officer of any company that, while he was acting in that capacity, or within a year of him ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; nor

(b) has he, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Other than as disclosed in this Prospectus, Joel Dumaresq has not received, directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind from the Company, and the Company has not received any assets, services or other consideration from Joel Dumaresq in return.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Company nor Zefiro Methane are or have been the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this section, no director, executive officer of the Company or any shareholder beneficially holding or controlling, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Company, or any of their respective associates or affiliates, had any material direct or indirect interest in any transaction within the three years preceding the date of this Prospectus which has materially affected or would materially affect the Company.

Prior to the Transaction, XMST held 16,000,000 shares of Zefiro Methane. Pursuant to the Securities Exchange Agreement, XMST's Zefiro Methane Shares were exchanged for 16,000,000 Common Shares of the Company. XMST is a company controlled by Talal Debs. Talal Debs also held 1,000,000 Zefiro Methane Shares that were exchanged for 1,000,000 Common Shares of the Company pursuant to the Securities Exchange Agreement.

In the August Private Placement X Machina Capital Strategies Fund I LP purchased 1,275,000 Units and in the May Private Placement X Machina Capital Strategies Fund I LP purchased 675,000 Units, in each instance on the same terms as the other subscribers to the respective private placement.

In the May Private Placement, through a trust the spouse of Darly Heald, a director of the Company, purchased 202,500 Units, on the same terms as the other subscribers to the May Private Placement.

On September 1, 2023, the spouse of Catherine Flax, a director of the Company, loaned Zefiro USA US$1,000,000 under a promissory note (the "**Zefiro USA Note**"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a rate 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Zefiro USA at any time without penalty.

RELATIONSHIP BETWEEN THE COMPANY AND THE UNDERWRITERS

The Company is not a related party or connected party to the Underwriters (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company (in respect of the Company's audited annual financial statements for the year ended June 30, 2023 and 2022) is Reliant CPA PC, Chartered Professional Accountants, 895 Dove Street, Suite 300 #300180, Newport Beach, California 92660.

The auditor of the Company (in respect of the Company's audited annual financial statements for the years ended December 31, 2021 and 2020) and Zefiro Methane (in respect of Zefiro Methane's audited financial statements for the period from incorporation on September 9, 2021 to June 30, 2022) is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, 1140 West Pender Street, Suite 1500, Vancouver, British Columbia V6E 4G1.

The auditor of P&G is RSM Canada LLP, Chartered Professional Accountants, 112 4 Avenue SW, Calgary, Alberta T2P 0H3.

The registrar and transfer agent for the Company's Common Shares is Endeavor Trust Corporation at 702 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

MATERIAL CONTRACTS

The only material contracts entered into by the Company, or its subsidiary entities, within the period from incorporation until the date of this Prospectus, other than contracts entered into in the ordinary course of business, are as follows:

1. Armstrong Pilot Program Agreements. See *“Description and General Development of the Business – Business Overview – Project Pipeline”.*
2. Burnaby Pilot Program Agreement. See *“Description and General Development of the Business – Business Overview – Project Pipeline”.*
3. Escrow Agreement. See *“Escrowed Securities and Securities Subject to Contractual Restriction on Transfer”.*
4. Securities Exchange Agreement. See *“Description and General Development of the Business – Company History – Acquisition of Zefiro Methane”.*
5. Stock Purchase Agreement. See *“Description and General Development of the Business – Company History”* and *“Significant Acquisitions.”*
6. Option and Purchase Agreement. See *“Significant Acquisitions”.*
7. Underwriting Agreement. See “*Plan of Distribution – General*”.
8. Investor Rights Agreement. See “*Options to Purchase Securities – Investor Rights Agreement*”.

Copies of the above material contracts will be available for inspection at the registered and records office of the Company, at Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC V6C 2B5.

EXPERTS

The following persons or companies whose profession or business gives authority to the report, valuation, statement, or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement, or opinion in this Prospectus:

Legal matters referred to under “*Eligibility for Investment*” will be passed upon by Cozen O’Connor LLP on behalf of the Company. As of the date hereof, the designated professionals of Cozen O’Connor LLP, as a group, beneficially own less than 1% of the Company’s outstanding securities.

Reliant CPA PC, Chartered Professional Accountants, who prepared the independent auditor’s report on the Company’s financial statements (for the years ended June 30, 2023 and 2022), have advised the Company that they are independent of the Company in compliance with Canadian Public Accountability Board Rule 204, “Independence Standard”.

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, who prepared the independent auditor’s report on the Company’s financial statements (for the years ended December 31, 2021 and 2020) and Zefiro Methane’s financial statements (for the period from incorporation on September 9, 2021 to June 30, 2022), have advised the Company that they are independent of the Company and Zefiro Methane within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

RSM Canada LLP, Chartered Professional Accountants, who prepared the independent auditor’s report on P&G’s financial statements, have advised the Company that they are independent of the Company and P&G within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

SIGNIFICANT ACQUISITIONS

Nature of Business Acquired / Acquisition Date

Pursuant to the Stock Purchase Agreement dated February 24, 2023 among Zefiro Holding, Zefiro Methane USA, P&G and the Seller, the Company through Zefiro Holding purchased 75% of the issued and outstanding capital stock of P&G from the Seller in a transaction that closed on May 12, 2023. The Seller was arms’ length to Zefiro Holding and Zefiro Methane USA. The Stock Purchase Agreement contained various representations, warranties and covenants of the parties to the P&G Transaction.

P&G has been an oil and gas field services business operating in the Northeast US since 1970. P&G offers turnkey solutions for well decommissioning, completions, cementing and plug and abandonment and has plugging and abandonment experience on hundreds of conventional and unconventional wells throughout New York, Pennsylvania, Ohio, and West Virginia. P&G currently has 75-110 employees depending on seasonality and turnover. P&G also uses a variety of external consultants to provide its services. Included in P&G's solutions are cementing services and permitted waste-hauling (capable of handling liquid or solid materials, including hazardous materials). In providing its services, P&G owns the following assets: 16 available service rigs, assets for pad construction and reclamation, mud pumps for reverse circulation during well intervention, and blowout preventers, lubricators and other similar well-control equipment.

Consideration

Pursuant to the Stock Purchase Agreement, the aggregate purchase price payable to the Seller for the Purchased P&G Shares was US$5,325,000 (the "**Purchase Price**"), satisfied as follows on closing:

(a) an initial cash payment to the Seller in the amount of US$3,325,000 (paid on May 12, 2023); and

(b) a promissory note with an outstanding principal amount of US$2,000,000 (the "**Note**"), issued by Zefiro Holding. The outstanding principal amount of the Note is subject to certain potential reductions in accordance with the terms of the Note itself and the Stock Purchase Agreement. The outstanding amount payable under the Note bears interest, compounding monthly, at a rate equal to 6% per annum. The outstanding amount payable under the Note is due no later than May 12, 2025 but may become due sooner upon the occurrence of certain P&G change of control events (including a sale of all or substantially all of the assets or capital stock of P&G or under certain circumstances in a reorganization of P&G) or events of default by Zefiro Holding, as described in the Note. Zefiro Holding has also provided a pledge agreement (the "**Pledge Agreement**") to the Seller, under which Zefiro Holding has pledged the Pledged Shares to the Seller to secure Zefiro Holding's obligations under the Note.

Additionally, Zefiro Holding entered into the Option and Purchase Agreement dated May 12, 2023 with Luke J. Plants (the remaining stockholder of P&G) for the option to purchase a further 5% of the stock of P&G (15 shares), that expires on May 12, 2024. The purchase price for this additional stock in P&G has escalating prices that start at US$375,000 and increase to US$420,000 at the end of the option exercise period.

Effect of Financial Position

Management anticipates that further bolt-on acquisitions of turn-key plugging and abandonment companies will be made in order to expand plugging capacity. These acquisitions will increase plugging revenue and enable the Company to expand its primary business, carbon offset origination. The Company anticipates acquisitions to begin within twelve to twenty-four months from the Listing Date.

Financial Statements and Other Information

The following is selected historical financial information of P&G, which has a financial year ending December 31. The summary presented below contains selected financial information of P&G that is derived from, and should be read in conjunction with, the audited and interim financial statements of P&G and notes thereto, that are included in this Prospectus as Appendix 5 and Appendix 6, respectively. All of the financial information presented below is prepared in accordance with IFRS.

	For the 3 months ended March 31, 2023 (unaudited)	**For the year ended December 31, 2022 (audited)**
Total assets	US$13,654,432	US$12,452,905

Total liabilities	US$9,526,212	US$9,180,854
Shareholders' equity	US$4,128,220	US$3,272,051
Revenue	US$6,655,650	US$20,853,163
Net income (loss) and comprehensive income (loss)	US$856,169	(US$304,427)

AGENT FOR SERVICE OF PROCESS

Curt Hopkins, CEO of the Company, Jeffrey Frase, President, Corporate Development of the Company, Tina Reine, CCO of the Company, Daryl Heald, director of the Company, Talal Debs, Founder, Executive Chairman, and director of the Company and Catherine Flax, director of the Company, each reside outside of Canada and have appointed the Company at its registered and records set forth above as their agent for service of process.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or entity that resides outside of Canada, even if the person has appointed an agent for service of process.

OTHER MATERIAL FACTS

There are no material facts relating to the Company other than as disclosed herein.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RECESSION

Securities legislation in British Columbia, Alberta and Ontario provides subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or revisions of the price or damages if the Prospectus and any amendment contain a misrepresentation or is not delivered to the subscriber, provided that the remedies for rescission, revisions of the price or damages are exercised by the subscriber within the time limit prescribed by the securities legislation of the subscriber's province or territory. Purchasers should refer to any applicable provisions of the securities legislation of the subscriber's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following financial statements and MD&A are included herein:

APPENDIX 1	-	THE COMPANY'S AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
APPENDIX 2	-	THE COMPANY'S UNAUDITED (CONSOLIDATED) INTERIM FINANCIAL STATEMENTS FOR THE 3 AND 6 MONTHS ENDED JUNE 30, 2022
APPENDIX 3	-	THE COMPANY'S AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
APPENDIX 4	-	ZEFIRO METHANE'S AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON SEPTEMBER 9, 2021 TO JUNE 30, 2022
APPENDIX 5	-	P&G'S AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
APPENDIX 6	-	P&G'S UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED MARCH 31, 2023
APPENDIX 7	-	THE COMPANY'S ANNUAL MD&A FOR THE YEAR ENDED JUNE 30, 2023
APPENDIX 8	-	ZEFIRO METHANE'S MD&A FOR THE PERIOD FROM INCORPORATION ON SEPTEMBER 9, 2021 TO JUNE 30, 2022
APPENDIX 9	-	P&G'S ANNUAL MD&A FOR THE YEAR ENDED DECEMBER 31, 2022
APPENDIX 10	-	P&G'S INTERIM MD&A FOR THE 3 MONTHS ENDED MARCH 31, 2023
APPENDIX 11	-	AUDIT COMMITTEE CHARTER

APPENDIX 1 – THE COMPANY'S AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

ZEFIRO METHANE CORP.
(formerly Caden Capital Corp.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in Canadian Dollars)

dmcl.ca

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Sharehodlers of Zefiro Methane Corp. (formerly Caden Capital Corp.)

Opinion

We have audited the financial statements of Zefiro Methane Corp. (formerly Caden Capital Corp.) (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Vancouver
1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey
200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities
700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria
320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

[Audit Firm Signature]

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 3, 2023

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT DECEMBER 31,

		2021		2020
ASSETS				
Current assets				
Cash	$	38,816	$	46,918
Total assets	$	38,816	$	46,918
LIABILITIES AND EQUITY				
Equity				
Share capital (Note 4)	$	111,800	$	111,800
Deficit		(72,984)		(64,882)
Total equity		38,816		46,918
Total liabilities and equity	$	38,816	$	46,918

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

Approved and authorized on behalf of the Board on November 3, 2023:

"Jonson Sun", Director *"Talal Debs"*, Director

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

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31,

		2021		2020
EXPENSES				
Management fees (Note 5)	$	2,730	$	-
Office and miscellaneous		616		19
Professional fees		409		714
Transfer agent and regulatory fees		4,347		1,288
		(8,102)		(2,021)
Net loss and comprehensive loss for the year	$	(8,102)	$	(2,021)
Loss per share				
Basic and diluted	$	0.00	$	0.00
Weighted average shares outstanding				
Basic and diluted		5,472,000		5,472,000

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

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31,

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the year	$ (8,102)	$ (2,021)
Net cash used in operating activities	(8,102)	(2,021)
Change in cash	(8,102)	(2,021)
Cash, beginning of year	46,918	48,939
Cash, end of year	$ 38,816	$ 46,918

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

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital			
	Common Shares	Amount	Deficit	Total Equity
Balance, January 1, 2020	5,472,000	$ 111,800	$ (62,861)	$ 48,939
Loss for the year	-	-	(2,021)	(2,021)
Balance, December 31, 2020	5,472,000	111,800	(64,882)	46,918
Loss for the year	-	-	(8,102)	(8,102)
Balance, December 31, 2021	5,472,000	$ 111,800	$ (72,984)	$ 38,816

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Zefiro Methane Corp. (formerly Caden Capital Corp.) ("Zefiro" or the "Company"), is a company incorporated on March 7, 2018 under the Business Corporations Act (British Columbia). On September 28, 2022, the Company changed its name from Caden Capital Corp. to Zefiro Methane Corp. The registered records and head office of the Company is located at Suite 2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9. The principal business of the Company is the identification and evaluation of assets or businesses with a view to potentially acquire them or an interest therein by an option or any concomitant transaction.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the year ended December 31, 2021, the Company incurred a net loss of $8,102 (2020 - $2,021) and as at December 31, 2021, had an accumulated deficit of $72,984 (December 31, 2020 - $64,882). The Company has not generated cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying financial statements. Such adjustments could be material.

In March 2021, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

Statement of Compliance

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

These financial statements were authorized and issued by the Board of Directors on November 3, 2023.

Significant Accounting Judgements and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Significant accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) Recognition of deferred income tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

ii) Assessment of the Company's ability to continue as a going concern – The assessment involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

New IFRS Pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of these financial statements are listed below. These amendments will be applied in the annual period for which they are first required.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. Management will assess the impact of this standard.

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is not expected to have a significant impact on the preparation of financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37). The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently by the Company to all periods presented during the most recent fiscal year.

Foreign Currency Translation

Foreign currency translations are translated into Canadian as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect at the statement of financial position date;
(ii) Non-monetary assets and liabilities; at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities or revalued amount at the exchange rate in effect at the statement of financial position date; and
(iii) Revenue and expense items, at the rate of exchange prevailing at the transaction date.

Gains and losses arising from the translation of foreign currency are included in the determination of net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company.

Diluted earnings per share, where applicable, is computed by dividing the net income attributed to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share Capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and development of its business. These equity financing transactions may involve issuance of common shares and warrants. The Company's common shares are classified as equity instruments. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments and recognized as share issuance costs and reserves.
In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset

received, or given up is not readily determinable, the fair market value of the shares is used to record the transaction. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to the residual method.

If the Company reacquires its own shares from shareholders, those shares are deducted from share capital. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Consideration received on reacquisition of its own shares is recognized by the Company in equity.

Financial Instruments

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for the such financial assets, is to hold the asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability measured at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liability measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable including any non-cash assets transferred or liabilities assumed, is recognized in the statement of loss and comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

4. SHARE CAPITAL

a) Authorized share capital:

Unlimited number of common shares without par value.

b) Issued share capital:

As at December 31, 2021, the Company had 5,472,000 common shares issued and outstanding (December 31, 2020 – 5,472,000).

There was no share activity during the years ended December 31, 2021 or 2020.

5. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the years ended December 31, 2021 and 2020, the Company incurred the following fees charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions		2021		2020
Key management personnel:					
Company controlled by a director	Management fees	$	2,730	$	-
Total		$	2,730	$	-

6. FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Fair Value through Profit and Loss

Cash is measured at fair value using level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are cash. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company does not have any financial instruments that are exposed to interest rate fluctuations. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have any exposure to currency risk.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company does not hold any other financial instruments that would result in material exposure to other price risk.

7. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the year ended December 31, 2021.

Subsequent to December 31, 2021, the Company intends to become listed on the Canadian Securities Exchange ("CSE"). Following listing, the Company will become subject to various CSE listing requirements. The listing will enable the Company to access public capital markets that will assist the Company in the management of capital.

8. SEGMENT INFORMATION

The Company has one operating segment, being the identification, evaluation and acquisition of businesses. All of the Company's assets are located in Canada.

9. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

		December 31, 2021		December 31, 2020
Loss before taxes for the year	$	(8,102)	$	(2,021)
Canadian federal and provincial income tax rates		27.00%		27.00%
Expected income tax recovery based on the above rates	$	(2,188)	$	(546)
Change in tax assets not recognized		2,188		546
Income tax expense	$	-	$	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

		December 31, 2021		December 31, 2021
Non-capital losses	$	19,706	$	17,518
Unrecognized deferred tax assets		(19,706)		(17,518)
Total	$	-	$	-

As at December 31, 2021, the Company has non-capital losses of approximately $73,000 (2021 - $65,000) that may be available to offset future income for income tax purposes, which commence expiring in 2038 to 2041.

Due to the uncertainty of realization of these deductible temporary differences, the tax benefit is not reflected in the financial statements.

10. SUBSEQUENT EVENTS

In August 2022, the Company closed a private placement of 12,000,000 units at $0.50 per unit for gross proceeds of $6,000,000. Each unit consists of one common share and one-half warrant. Each whole warrant is exercisable into one common share at $0.75 per share for a period of 2 years from issuance subject to an accelerated expiry date. If the common shares are then trading at greater than $1.25 per share for a period of 10 consecutive trading days, the Company shall be entitled to accelerate the expiry to 30 days following notice to the warrant holders.

On September 16, 2022, the Company entered into a share exchange agreement with Zefiro Methane Corp. ("Zefiro"), whereby the Company will acquire all of the issued and outstanding common shares and warrants of Zefiro in exchange for the issuance by the Company to Zefiro securityholders of 41,000,000 common shares ("Consideration Shares") and 12,000,000 warrants ("Consideration Warrants"). Each Consideration Warrant will be exercisable into one common share of the Company on the same terms as such Zefiro warrants were exercisable.

On September 28, 2022, the Company instituted a formal stock option plan. Under the plan, the maximum number of common shares that will be available for issuance is 20% of the issued and outstanding common shares as at the approval date of September 28, 2022. The maximum number of common shares for which awards may be issued to related persons in any 12-month period shall not exceed 10% of the outstanding common shares unless disinterested shareholder approval is obtained, or 5% of the outstanding common shares in the case of a grant of awards to any one related person of the Company.

In conjunction with the institution of the Company's option plan, 5,040,356 fully vested options are to be granted to directors, officers and consultants upon completion of the IPO. The options are exercisable at a price of $0.50 and expire five years following the date of issuance.

On January 27, 2023, the Company incorporated Zefiro Methane Holding LLC, a wholly owned US subsidiary.

On February 24, 2023, the Company entered into a share purchase agreement with a majority shareholder of Plants and Goodwin Inc. ("P&G"). Under this agreement, the Company will acquire 75% of the issued and outstanding shares of P&G in exchange for $3,325,000 USD in cash and a $2,000,000 USD promissory note. The promissory note has a principal balance of $2,000,000 USD, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

a) The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

b) The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

c) The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000 USD. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 USD plus $5,700,000 USD less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G. The acquisition of P&G closed on May 12, 2023.

Additionally, on May 12, 2023, the Company entered into an option and purchase agreement with one of the significant shareholders of P&G. Under this agreement, the Company has the option to purchase a further 5% interest in P&G until May 12, 2024. The purchase price for the additional shares of P&G starts at $355,000 USD and increases to $420,000 USD at the end of the option exercise period.

On May 29, 2023, the Company completed a non-brokered private placement. The Company issued 2,785,000 units at a price of $1.00 per unit for total proceeds of $2,785,000, with each unit comprised of one common share and one-half of a warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $1.50.

On July 13, 2023, the Company granted 1,400,000 options to consultants and employees. The options are exercisable at a price of $1.00 per share for a period of five years following the date of issuance. The options vest equally on January 13, 2025, April 13, 2025, July 13, 2025 and October 13, 2025.

As part of the acquisition of P&G, the Company loaned US$1,000,000 to P&G to repay a portion of a Small Business Administration loan that P&G had outstanding. The loan accrues interest at a rate of 8% per year that is payable monthly. The balance of the loan is due on the maturity date of June 1, 2025. P&G is permitted to make prepayment of the loan at its discretion.

On September 1, 2023, the spouse of a director of the Company, loaned the Company US$1,000,000 under a promissory note (the "Zefiro USA Note"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a rate of 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Company at any time without penalty.

APPENDIX 2 – THE COMPANY'S UNAUDITED (CONSOLIDATED) INTERIM FINANCIAL STATEMENTS FOR THE 3 AND 6 MONTHS ENDED JUNE 30, 2022

ZEFIRO METHANE CORP.
(formerly Caden Capital Corp.)

Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited)

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT,

	June 30, 2022	December 31, 2021
ASSETS		
Current assets		
Cash	$ 37,883	$ 38,816
Total assets	$ 37,883	$ 38,816
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 27,367	$ -
Total Liabilities	27,367	-
Equity		
Share capital (Note 4)	$ 111,800	$ 111,800
Deficit	(101,284)	(72,984)
Total equity	10,516	38,816
Total liabilities and equity	$ 37,883	$ 38,816

Nature of operations and going concern (Note 1)
Subsequent events (Note 8)

Approved and authorized on behalf of the Board on November 1, 2023:

"Jonson Sun", Director *"Talal Debs"*, Director

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

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30,

	Three months ended		Six months ended	
	2022	**2021**	**2022**	**2021**
EXPENSES				
Management fees (Note 5)	$ -	$ -	$ -	$ 1,600
Office and miscellaneous	147	2	152	325
Professional fees	27,000	-	27,000	182
Transfer agent and regulatory fees	668	620	1,148	965
	(27,815)	(622)	(28,300)	(3,072)
Net loss and comprehensive loss for the year	$ (27,815)	$ (622)	$ (28,300)	$ (3,072)
Loss per share				
Basic and diluted	$ 0.01	$ 0.00	$ 0.01	$ 0.00
Weighted average shares outstanding				
Basic and diluted	5,472,000	5,472,000	5,472,000	5,472,000

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

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED JUNE 30,

		2022		2021
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the year	$	(28,300)	$	(3,072)
Changes in non-cash working capital:				
Accounts payable and accrued liabilities		27,367		(150)
Net cash used in operating activities		(933)		(3,222)
Change in cash		(933)		(3,222)
Cash, beginning of period		38,816		46,918
Cash, end of period	$	37,883	$	43,696

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

ZEFIRO METHANE CORP. (formerly Caden Capital Corp.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital			
	Common Shares	Amount	Deficit	Total Equity
Balance, January 1, 2021	5,472,000	$ 111,800	$ (64,882)	$ 46,918
Loss for the period			(3,072)	(3,072)
Balance, June 30, 2021	5,742,000	$ 111,800	$ (67,954)	$ 43,846
Balance, January 1, 2022	5,472,000	$ 111,800	$ (72,984)	$ 38,816
Loss for the period	-	-	(28,300)	(28,300)
Balance, June 30, 2022	5,472,000	$ 111,800	$ (101,284)	$ 10,516

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Zefiro Methane Corp. (formerly Caden Capital Corp.) ("Zefiro" or the "Company"), is a company incorporated on March 7, 2018 under the Business Corporations Act (British Columbia). The registered records and head office of the Company is located at Suite 2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9. The principal business of the Company is the identification and evaluation of assets or businesses with a view to potentially acquire them or an interest therein by an option or any concomitant transaction.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the six months ended June 30, 2022, the Company incurred a net loss of $28,300 (2021 - $3,072) and as at June 30, 2022, had an accumulated deficit of $101,284 (December 31, 2021 - $72,984). The Company has not generated cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These condensed interim financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying condensed interim financial statements. Such adjustments could be material.

In March 2021, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes of the Company's audited financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise indicated.

These condensed interim financial statements were authorized and issued by the Board of Directors on November 1, 2023.

Significant Accounting Judgements and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the condensed interim financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These condensed interim financial statements include estimates, which, by their nature, are uncertain.

The impact of such estimates appears throughout the condensed interim financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Significant accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the condensed interim financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) Recognition of deferred income tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

ii) Assessment of the Company's ability to continue as a going concern – The assessment involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

New IFRS Pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of these condensed interim financial statements are listed below. These amendments will be applied in the annual period for which they are first required.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. Management will assess the impact of this standard.

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is not expected to have a significant impact on the preparation of financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37). The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited annual financial statements for the year ended December 31, 2021 and have been consistently followed in the preparation of these condensed interim financial statements.

4. SHARE CAPITAL AND RESERVES

a) Authorized share capital:

Unlimited number of common shares without par value.

b) Issued share capital:

As at June 30, 2022, the Company had 5,472,000 common shares issued and outstanding (December 31, 2021 – 5,472,000).

There was no share activity during the six months ended June 30, 2022 or 2021.

5. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the six months ended June 30, 2022 and 2021, the Company incurred the following fees charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions	2022	2021
Key management personnel:			
Company controlled by a director	Management fees	$ -	$ 1,600
Total		$ -	$ 1,600

6. FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Fair Value through Profit and Loss
Accounts payable	Amortized Cost

The fair value of accounts payable approximates the carrying amount due to its short-term nature. Cash is measured at fair value using level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are cash. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at June 30, 2022:

	Within one year	**Between one and five years**	**More than five years**
Accounts payable and accrued liabilities	$ 27,367	$ -	$ -
	$ 27,367	$ -	$ -

Historically, the Company's primary source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company does not have any financial instruments that are exposed to interest rate fluctuations. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have any exposure to currency risk.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company does not hold any other financial instruments that would result in material exposure to other price risk.

7. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the six months ended June 30, 2022.

Subsequent to June 30, 2022, the Company intends to become listed on the Canadian Securities Exchange ("CSE"). Following listing, the Company will become subject to various CSE listing requirements. The listing will enable the Company to access public capital markets that will assist the Company in the management of capital.

8. SUBSEQUENT EVENTS

In August 2022, the Company closed a private placement of 12,000,000 units at $0.50 per unit for gross proceeds of $6,000,000. Each unit consists of one common share and one-half warrant. Each whole warrant is exercisable into one common share at $0.75 per share for a period of 2 years from issuance subject to an accelerated expiry date. If the common shares are then trading at greater than $1.25 per share for a period of 10 consecutive trading days, the Company shall be entitled to accelerate the expiry to 30 days following notice to the warrant holders.

On September 16, 2022, the Company entered into a share exchange agreement with Zefiro Methane Corp. ("Zefiro"), whereby the Company will acquire all of the issued and outstanding common shares and warrants of Zefiro in exchange for the issuance by the Company to Zefiro securityholders of 41,000,000 common shares ("Consideration Shares") and 12,000,000 warrants ("Consideration Warrants"). Each Consideration Warrant will be exercisable into one common share of the Company on the same terms as such Zefiro warrants were exercisable.

On September 28, 2022, the Company instituted a formal stock option plan. Under the plan, the maximum number of common shares that will be available for issuance is 20% of the issued and outstanding common shares as at the approval date of September 28, 2022. The maximum number of common shares for which awards may be issued to related persons in any 12-month period shall not exceed 10% of the outstanding common shares unless disinterested shareholder approval is obtained, or 5% of the outstanding common shares in the case of a grant of awards to any one related person of the Company.

In conjunction with the institution of the Company's option plan, 5,040,356 fully vested options are to be granted to directors, officers and consultants upon completion of the IPO. The options are exercisable at a price of $0.50 and expire five years following the date of issuance.

On January 27, 2023, the Company incorporated Zefiro Methane Holding LLC, a wholly owned US subsidiary.

On February 24, 2023, the Company entered into a share purchase agreement with a majority shareholder of Plants and Goodwin Inc. ("P&G"). Under this agreement, the Company will acquire 75% of the issued and outstanding shares of P&G in exchange for $3,325,000 USD in cash and a $2,000,000 USD promissory note. The promissory note has a principal balance of $2,000,000 USD, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and

the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

a) The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

b) The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

c) The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000 USD. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 USD plus $5,700,000 USD less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G. The acquisition of P&G closed on May 12, 2023.

Additionally, on May 12, 2023, the Company entered into an option and purchase agreement with one of the significant shareholders of P&G. Under this agreement, the Company has the option to purchase a further 5% interest in P&G until May 12, 2024. The purchase price for the additional shares of P&G starts at $355,000 USD and increases to $420,000 USD at the end of the option exercise period.

On May 29, 2023, the Company completed a non-brokered private placement. The Company issued 2,785,000 units at a price of $1.00 per unit for total proceeds of $2,785,000, with each unit comprised of one common share and one-half of a warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $1.50.

On July 13, 2023, the Company granted 1,400,000 options to consultants and employees. The options are exercisable at a price of $1.00 per share for a period of five years following the date of issuance. The options vest equally on January 13, 2025, April 13, 2025, July 13, 2025 and October 13, 2025.

As part of the acquisition of P&G, the Company loaned US$1,000,000 to P&G to repay a portion of a Small Business Administration loan that P&G had outstanding. The loan accrues interest at a rate of 8% per year that is payable monthly. The balance of the loan is due on the maturity date of June 1, 2025. P&G is permitted to make prepayment of the loan at its discretion.

On September 1, 2023, the spouse of a director of the Company, loaned the Company US$1,000,000 under a promissory note (the "Zefiro USA Note"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a rate 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Company at any time without penalty.

APPENDIX 3 – THE COMPANY’S AUDITED FINANCIAL STATEMENTS FOR YEARS ENDED JUNE 30, 2023 AND 2022

Zefiro Methane Corp.

(Formerly Caden Capital Corp.)
Consolidated Financial Statements

For the year ended June 30, 2023
and the period from incorporation September 9, 2021 to June 30, 2022

(Expressed in United States dollars)

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Zefiro Methane Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Zefiro Methane Corp. (the "Company"), as of June 30, 2023, the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the year then ended, and related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023, and the results of its operations and its cash flows for the year ended June 30, 2023, in conformity with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's significant operating losses raise substantial doubt about its ability to continue as a going concern. As at June 30, 2023 the Company has an accumulated deficit $1,999,261 and incurred a net and comprehensive loss of $1,440,782 for the year ended June 30, 2023. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Other Matter

The consolidated financial statements as at and for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on August 4, 2023.

Reliant CPA PC

Served as Auditor since 2023
Newport Beach, CA
November XX, 2023

Zefiro Methane Corp. (formerly Caden Capital Corp.)
Consolidated Statements of Financial Position
Expressed in United States dollars

	Note	June 30, 2023	June 30, 2022 (Restated) (Note 2)
ASSETS		**$**	**$**
Current assets			
Cash		889,974	955,364
Accounts receivable	22,24	5,751,667	-
GST/HST receivable		23,389	-
Prepaid expenses	7	219,238	-
Total current assets		**6,884,268**	**955,364**
Property and equipment	8	10,258,112	64,846
Right-of-use asset	9	383,734	-
Intangible assets	10	5,151,438	-
TOTAL ASSETS		**22,677,552**	**1,020,210**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11,21	1,276,217	73,054
Advance payable		3,435	3,530
Line of credit	12	2,276,972	-
Current portion of long-term debt	13	824,982	-
Lease liability	14	58,153	-
Total current liabilities		**4,439,759**	**76,584**
Long-term debt	13	4,138,383	-
Lease liability	14	325,482	-
Deferred income taxes	15	2,903,000	-
TOTAL LIABILITIES		**11,806,624**	**76,584**
Shareholders' equity			
Share capital	16	9,289,017	1,215,501
Subscriptions receivable	16	-	(126,177)
Share-based compensation reserve	16	822,106	-
Accumulated other comprehensive income (loss)		45,789	(15,820)
Deficit		(1,999,261)	(129,878)
Equity attributable to the shareholders of the company		8,157,651	943,626
Non-controlling interest	17	2,713,277	-
TOTAL SHAREHOLDERS' EQUITY		**10,870,928**	**943,626**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**22,677,552**	**1,020,210**

Nature of operations and going concern (Note 1)
Subsequent events (Note 26)

Approved and Authorized by the Board on November 3, 2023:

"Jonson Sun"	*"Talal Debs"*
Director	Director

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

Zefiro Methane Corp. (formerly Caden Capital Corp.)

Consolidated Statements of Loss and Comprehensive Loss
Expressed in United States dollars

	Note	Year ended June 30, 2023	Period from incorporation September 9, 2021 to June 30, 2022 (Restated) (Note 2)
		$	$
Revenues	18,24	5,981,996	-
Cost of revenues	19	3,108,047	-
Gross profit		2,873,949	-
Expenses			
Amortization	8,9,10	445,701	-
Consulting and management fees	21	488,213	8,535
Finance expenses		3,928	593
General and administrative	20,21	809,020	20,903
Plug and abandonment services		48,035	-
Professional fees		665,525	46,821
Regulatory fees		5,030	4,140
Salaries and benefits	21	1,082,841	41,735
Share-based compensation	16,21	822,106	6,728
		(4,370,499)	(129,455)
Other income (expenses)			
Foreign exchange loss		(21,404)	(423)
Interest income		4,895	-
Interest expense		(97,687)	-
Listing expense	5	(1,688,099)	-
Gain on bargain purchase	6	2,114,454	-
		312,159	(423)
Loss before income taxes		(1,184,391)	(129,878)
Income tax expense	15	(318,000)	-
Net loss for the year		**(1,502,391)**	**(129,878)**
Other comprehensive income			
Foreign currency translation adjustment		61,609	(15,820)
Net loss and comprehensive loss		**(1,440,782)**	**(145,698)**
Comprehensive income (loss) attributable to:			
Shareholders of the company		(1,807,774)	(145,698)
Non-controlling interest	17	366,992	-
Loss per share			
Basic and diluted		(0.03)	(0.01)
Weighted average shares outstanding			
Basic and diluted		54,463,499	10,639,455

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

Zefiro Methane Corp. (formerly Caden Capital Corp.)
Consolidated Statements of Changes in Equity
Expressed in United States dollars

	Number of common shares	Share capital $	Subscriptions receivable $	Share-based compensation reserve $	Deficit $	Accumulated other comprehensive income $	Non-controlling interest $	Total $
Balance, September 9, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Shares issued for cash	36,000,000	1,131,647	(47,317)	-	-	-	-	1,084,330
Share issuance costs	-	(1,735)	-	-	-	-	-	(1,735)
Shares issued under agreement	5,000,000	85,589	(78,860)	-	-	-	-	6,729
Net loss and comprehensive loss	-	-	-	-	(129,878)	(15,820)	-	(145,698)
Balance, June 30, 2022 (Restated) (Note 2)	**41,000,000**	**1,251,501**	**(126,177)**	**-**	**(129,878)**	**(15,820)**	**-**	**943,626**
Share subscriptions received	-	-	126,177	-	-			126,177
Shares issued in connection with private placements	2,785,000	2,048,223	-	-	-	-	-	2,048,223
Share issuance costs	-	(27,277)	-	-	-	-	-	(27,277)
Shares deemed to be issued on reverse takeover transaction	17,472,000	6,052,570	-	-	-	-	-	6,052,570
Share-based compensation	-	-	-	822,106	-	-	-	822,106
Acquisition of non-controlling interest	-	-	-	-	-	-	2,346,285	2,346,285
Net loss and comprehensive loss	-	-	-	-	(1,869,383)	61,609	366,992	(1,440,782)
Balance, June 30, 2023	**61,257,000**	**9,289,017**	**-**	**822,106**	**(1,999,261)**	**45,789**	**2,713,277**	**10,870,928**

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

Zefiro Methane Corp. (formerly Caden Capital Corp.)
Consolidated Statements of Cash Flows
Expressed in United States dollars

	Year ended June 30, 2023	Period from incorporation September 9, 2021 to June 30, 2022 (Restated) (Note 2)
OPERATING ACTIVITIES	**$**	**$**
Net loss for the year/period	(1,502,391)	(129,878)
Non-cash items		
Amortization	445,701	-
Interest expense	58,750	-
Foreign exchange	(22,463)	-
Share-based compensation	822,106	6,728
Deferred income taxes	318,000	-
Listing expense	1,688,099	-
Gain on bargain purchase	(2,114,454)	-
Changes in non-cash working capital, net of acquired amounts:		
Accounts receivable	(1,953,578)	-
GST/HST receivable	(17,576)	-
Prepaid expenses	(60,139)	-
Accounts payable and accrued liabilities	5,389	74,279
Net cash used in operating activities	**(2,332,556)**	**(48,871)**
INVESTING ACTIVITIES		
Purchase of equipment	(55,952)	(65,933)
Cash assumed on reverse takeover	4,129,684	-
Cash paid for P&G Acquisition	(1,196,623)	-
Net cash provided by (used in) investing activities	**2,877,109**	**(65,933)**
FINANCING ACTIVITIES		
Repayments of long-term debt	(2,682,126)	-
Repayment of line of credit	(389,000)	-
Proceeds from issuance of shares, net of share issuance costs	2,387,873	1,082,596
Lease liability payments	(10,425)	-
Proceeds from advance payable	-	3,589
Net cash provided by (used in) financing activities	**(693,678)**	**1,086,185**
Change in cash	**(149,125)**	**971,381**
Impact of currency translation on cash	83,735	(16,017)
Cash, beginning of year/period	955,364	-
Cash, end of year/period	**889,974**	**955,364**
Supplemental cash flow information		
Interest received	4,895	-
Interest paid	78,866	-
Taxes paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Zefiro Methane Corp. (formerly Caden Capital Corp.) ("Zefiro" or the "Company"), is a company incorporated on March 7, 2018 under the Business Corporations Act (British Columbia). The Company's name changed from Caden Capital Corp. to Zefiro Methane Corp. on September 28, 2022. The registered records and head office of the Company is located at 2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

On September 28, 2022, the Company completed a reverse takeover with Zefiro Methane Operations Corp. ("Opco"), a corporation incorporated under the provisions of the Business Corporations Act (British Columbia) on September 9, 2021. The principal business of Opco is providing remedial services to the oil and gas industry. The Company assists stakeholders on plugging end-of-life orphaned and abandoned oil and gas wells that currently or potentially emit methane, a harmful greenhouse gas (GHG) emission and a potent climate-warming gas.

As a result of the reverse takeover, the former shareholders of Zefiro Methane Operations Corp. acquired control of the Company. Zefiro Methane Operations Corp. was deemed as the acquirer for accounting purposes, and therefore its assets, liabilities and operations are included in the consolidated financial statements at their historical carrying value. The Company's operations are considered to be a continuance of the business and operations of Zefiro Methane Operations Corp. The Company's results of operations are those of Zefiro Methane Operations Corp, with the Company's operations being included from September 28, 2022, the closing date of the reverse takeover, onwards.

On May 12, 2023, the Company acquired 75% of the issued and outstanding shares of Plants and Goodwin Inc. pursuant to a stock purchase agreement dated February 24, 2023 (the "P&G Acquisition") (Note 6).

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the year ended June 30, 2023, the Company incurred a net loss and comprehensive loss of $1,440,782 and had an ending accumulated deficit of $1,999,261. The Company has not generated cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders, and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized and issued by the Board of Directors on November 3, 2023.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PRESENTATION (CONTINUED)

b) Basis of measurement (continued)

These consolidated financial statements are presented in United States dollars. Effective July 1, 2022, the Company has elected to change its presentation currency from the Canadian dollar to the United States dollar. The change in presentation currency represents a voluntary change in accounting policy. The Company has applied the presentation currency change retrospectively. The consolidated financial statements have been restated as follows:

- The consolidated statements of loss and comprehensive loss and the consolidated statements of cash flows have been translated to United States dollars using the average exchange rates prevailing for the relevant period.
- All assets and liabilities in the consolidated statements of financial position have been translated to United States dollars using the period-end exchange rates
- Equity in the consolidated statements of financial position have been translated to United States dollars using historical rates in effect on the date of the transactions
- All resulting exchange differences have been recognized in accumulated other comprehensive income (loss)

The following is a reconciliation of the Company's consolidated statement of financial position as at June 30, 2022 and consolidated statements of loss and comprehensive loss and consolidated statement of cash flows for the period then ended reflecting the impact of these adjustments:

Consolidated Statement of Financial Position

	Previously reported (CA$) **$**	**Restated (US$)** **$**
Current assets	1,231,773	955,364
Non-current assets	83,607	64,846
Total assets	**1,315,380**	**1,020,210**
Current liabilities	98,741	76,584
Non-current liabilities	-	-
Total liabilities	**98,741**	**76,584**
Equity	1,381,332	1,089,324
Accumulated other comprehensive loss	-	(15,820)
Deficit	(164,693)	(129,878)
Total shareholders' equity	**1,216,639**	**943,626**
Total liabilities and shareholders' equity	**1,315,380**	**1,020,210**

2. BASIS OF PRESENTATION (CONTINUED)

b) Basis of measurement (continued)

Consolidated Statement of Loss and Comprehensive Loss

	Previously reported (CA$) $	**Restated (US$) $**
Expenses		
Consulting and management fees	10,823	8,535
Finance expenses	752	593
General and administrative	26,506	20,903
Professional fees	59,732	46,821
Regulatory fees	5,250	4,140
Salaries and benefits	52,922	41,735
Share-based compensation	8,532	6,728
	(164,156)	(129,455)
Other expenses		
Foreign exchange loss	(537)	(423)
Net loss for the year	**(164,694)**	**(129,878)**
Other comprehensive loss		
Foreign currency translation adjustment	-	(15,820)
Net loss and comprehensive loss	**(164,694)**	**(145,698)**
Basic and diluted loss per share	**(0.02)**	**(0.01)**

Consolidated Statement of Cash Flows

	Previously reported (CA$) $	**Restated (US$) $**
Net cash used in operating activities	(61,971)	(48,871)
Net cash used in investing activities	(83,607)	(65,933)
Net cash provided by financing activities	1,377,351	1,086,165
Change in cash	**1,231,773**	**971,381**
Impact of currency translation on cash	-	(16,017)
Cash beginning of period	-	-
Cash end of period	**1,231,773**	**955,364**

The functional currency of the Company and Zefiro Methane Operations Corp. is the Canadian dollar. The functional currency of Plants and Goodwin Inc., Zefiro Methane LLC and Zefiro Methane Holding LLC is the US dollar.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

2. BASIS OF PRESENTATION (CONTINUED)

c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries as follows:

Name	Country of Incorporation	Ownership Interest
Zefiro Methane Operations Corp.	Canada	100%
Zefiro Methane LLC	USA	100%
Zefiro Methane Holding LLC	USA	100%
Plants and Goodwin Inc.	USA	75%

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated upon consolidation.

Non-controlling interest ("NCI") represents the portion of equity ownership in subsidiaries not attributable to the Company's shareholders. NCI is initially measured as the proportionate share of its interest in the acquiree's identifiable net assets as at the date of acquisition and subsequently adjusted for the proportionate share of net earnings and other comprehensive income (loss) attributable to the NCI, as well as any dividends or distributions paid to the NCI.

d) Comparative figures

Certain comparative figures have been reclassified to conform with the basis of presentation applied for the year ended June 30, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency translation

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recorded at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rates on the date of the statement of financial position. Nonmonetary items carried at fair value that are denominated in foreign currencies are translated at the prevailing exchange rates on the date when the fair value was determined. Non-monetary items measured at historical costs in foreign currency are not re-translated. Exchange differences arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit or loss for the period.

On consolidation, the financial statements of foreign operations are translated into United States dollars. The assets and liabilities of foreign operations are translated into United States dollars at the exchange rate prevailing at the consolidated balance sheet date. Revenue and expenses of foreign operations are translated into United States dollars at the exchange rates that approximate those on the dates of the transactions. Foreign exchange differences arising on translation for consolidation are recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquire. Acquisition-related costs incurred for the business combination are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the consideration of the acquisition over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the fair value of the acquiree's net identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognized in profit or loss immediately. Goodwill may also arise as a result of the requirement under IFRS to record a deferred tax liability on the excess of the fair value of the acquired assets over their correspondence tax bases, with the corresponding offset recorded as goodwill.

In the case of the amount of the net of the amounts of the identifiable assets acquired and the liabilities assumed exceeding the fair value of the consideration, the Company recognizes the resulting amount in profit or loss on the acquisition date.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination are measured at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The Company's intangible assets are assessed to have finite useful lives and are amortized over their economic life. Impairment assessments are completed on such intangible assets whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

The Company acquired customer relationships and brand names as part of P&G Acquisition.

Customer relationships	5 years
Brand name	Indefinite

d) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses. Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from property and equipment and any gain or loss is reflected as a gain or loss from operations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property and equipment (continued)

Depreciation is provided on the straight-line method over the estimated useful lives and salvage value of the assets.

The estimated useful lives are:

Machinery and equipment	2-20 years
Vehicles	2-11 years
Right-of-use assets	Over the term of the lease

e) Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

f) Impairment of long-lived assets

Goodwill is reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired. All property and equipment and definite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The recoverable amount of a non-financial asset or a cash generating unit (“CGU”) is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over its useful life using management’s forecast (for the first three years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss is recognized when the carrying amount of any non-financial asset or its CGU exceeds its estimated recoverable amount. Impairment losses are allocated to first reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Moreover, when goodwill and another asset (or asset group) of a CGU are tested for impairment at the same time, the other asset (or asset group) is tested for impairment before goodwill. When the other asset (or asset group) is impaired, the impairment loss is recognized prior to goodwill being tested for impairment.

An impairment loss recognized in prior periods for a non-financial asset or a CGU other than goodwill is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods. An impairment loss recognized for goodwill cannot be reversed.

g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Leases (continued)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	7.5 years

h) Revenue recognition

The Company's primary revenue streams include rig services, cementing, transportation, hauling and construction. The Company recognizes revenue in accordance with International Financial Reporting Standards ("IFRS") 15 "Revenue from Contracts with Customers".

In accordance with IFRS 15, revenue is recognized upon the satisfaction of performance obligations. Performance obligations are satisfied at the point at which control of the promised goods or services are transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to receive for those goods and services. Service revenues are recorded over time throughout and for the duration of the service period pursuant to a master services agreement ("MSA") combined with a completed field ticket or a work order. Revenues from product sales are recognized when the customer obtains control of the product, which occurs at a point in time, typically upon delivery in accordance with the terms of the field ticket or work order.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Revenue recognition (continued)

The Company's plug and abandonment revenue streams include workover, cementing, transportation and construction services.

These services consist of activities associated with the utilization of a workover unit to provide a range of turnkey solutions to plug orphaned and abandoned oil and gas wells. All third-party rental equipment and subcontractor services are passed through this category on a cost plus markup basis. Service rig revenue is recognized as services are provided on a daily basis.

i) Contract balances

Contract assets include unbilled amounts typically resulting from services under long-term contracts when over time method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Contract assets are generally classified as current.

Contract liabilities consist of advance payments and billings in excess of revenue recognized and deferred revenue.

Contract assets and liabilities are reported in a net position on a contract by-contract basis at the end of each reporting period. Advance payments and billings in excess of revenue recognized are classified as current or noncurrent based on the timing of when revenue is expected to be recognized.

The Company disaggregates revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

j) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

If the Company issues units as part of financing, where such units consist of both common shares and common share purchase warrants, the value of the common shares is determined first and the residual value is allocated to the warrants.

k) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and the related expenses are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to equity reserve. The fair value of options is determined using the Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Any consideration paid by plan participants on the exercise of stock options is credited to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Loss per share

Basic loss per share is calculated by dividing the Company's net loss by the weighted average number of shares outstanding. Diluted loss per share is calculated by dividing the Company's loss by the sum of the weighted average number of shares issued and outstanding assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted.

m) Financial instruments

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

Financial assets at fair value through other comprehensive income ("FVTOCI")

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized on the consolidated statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial liability held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise.

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Financial instruments (continued)

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

The classification of the Company's financial instruments under IFRS 9 is as follows:

Cash	Amortized cost
Accounts receivable	Amortized cost
Subscriptions receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Advance payable	Amortized cost
Line of credit	Amortized cost
Long-term debt	Amortized cost
Lease liability	Amortized cost

n) Income taxes

Income tax expense comprises current and deferred tax.

Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. 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 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 tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred 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 tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) New IFRS pronouncements

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period.

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments are not expected to have a significant impact on the preparation of the consolidated financial statements.

Amendments to IAS 8 Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendments are effective for annual periods beginning on or after January 1, 2023, and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. This amendment is not expected to have a significant impact on the preparation of the consolidated financial statements.

Amendments IAS 12 Income Taxes

In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023. This amendment is not expected to have a significant impact on the preparation of the consolidated financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37). The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022 and did not have a significant impact on the preparation of the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) New IFRS pronouncements (continued)

Amendments to IFRS 3 Business Combinations

The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on or after January 1, 2022 and did not have a significant impact on the preparation of the consolidated financial statements.

Amendments to IAS 16 Property, Plant and Equipment

The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022 and did not have a significant impact on the preparation of the consolidated financial statements.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Judgments, estimates and their underlying assumptions are reviewed by the Company's management on an ongoing basis, based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. By their nature, judgments, estimates and assumptions are subject to uncertainty and actual results may differ significantly. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Judgments

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are outlined below.

a) Going concern

Management's assessment that the Company's will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

c) Business combinations

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

d) Control

At the time of acquisition, the Company assesses whether it has control over the acquiree. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Where control exists, the Company consolidates the results of the acquired entity.

On the acquisition of Zefiro Methane Operations Corp., it was determined that control resides with Zefiro Methane Operations Corp. as the former shareholders of Zefiro Methane Operations Corp. became the majority shareholders of the combined entity. As a result, the transaction was accounted for as a reverse takeover.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

a) Share-based payments

The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

b) Fair value of consideration in reverse takeover transaction

The fair value of consideration to acquire the Company in the reverse take-over transaction was comprised of shares. The shares were fair valued on the date of issuance. The Company applied IFRS 2 Share-based Payment in accounting for the acquisition.

c) Useful lives of property and equipment

Estimates of the useful lives of property and equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, not electing to exercise renewal options on Leases, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property and equipment would increase the recorded expenses and decrease the non-current assets.

d) Provision for expected credit losses on trade receivables

The provision for expected credit losses on trade receivables are estimated based on past credit history with customers and their current financial condition. The Company will calibrate its provision matrix to adjust the historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

e) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee. As such, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of comparable value to the right-of-use asset in a similar economic environment. IBR therefore reflects what the Company “would have to pay”, which requires estimation when no observable rates are available or where the applicable rates need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

f) Impairment of non-current assets

Management applies judgment in assessing the existence of impairment indicators based on various internal and external factors. The recoverable amount of assets is determined based on the higher of fair value less costs of disposal or value-in-use calculations. The key estimates the Company applies in determining the recoverable amount normally include estimated future commodity prices, discount rates, expected production volumes, future operating and development costs, income taxes, and operating margins. In determining the recoverable amount, management may also be required to make judgments regarding the likelihood of occurrence of a future event. Changes to these estimates and judgments will affect the recoverable amounts of assets and may then require a material adjustment to their related carrying value.

g) Fair value adjustments for business combinations

In accordance with IFRS 3, Business Combinations, the Company remeasures the assets, liabilities and contingent liabilities acquired through a business combination relative to fair value. Similarly, consideration given, including shares issued, is also measured at fair value. Where possible, fair value adjustments are based on external appraisals or valuation models (e.g. where intangible assets were not recognized by an acquiree). These valuation methods rely on various assumptions such as estimated future cash flows, remaining useful economic life, etc.

5. REVERSE TAKEOVER TRANSACTION

On September 28, 2022, the Company closed a reverse takeover transaction with Zefiro Methane Operations Corp. Pursuant to this transaction, the Company issued: (i) to each holder of Zefiro Methane Operations Corp. shares, one share of the Company for every share held, for an aggregate of 41,000,000 common shares; and (ii) to each holder of Zefiro Methane Operations Corp. share purchase warrants, one warrant for every warrant held for a total of 12,000,000 warrants.

Upon completion of the reverse takeover transaction, on a non-diluted basis, the former holders of Zefiro Methane Operations Corp. shares own 41,000,000 common shares. These shares represent approximately 70% of the voting rights of the Company. The pre-existing shareholders of the Company hold 17,472,000 common shares of the resulting issuer, representing approximately 30% of the total issued and outstanding shares.

At the time of the reverse takeover transaction, the Company did not meet the definition of a business as defined under IFRS 3 “Business Combinations”. Hence, the reverse takeover transaction was accounted for as an asset acquisition in accordance with IFRS 2, “Share-Based Payment”. Zefiro Methane Operations Corp. was identified as the accounting acquirer that issued shares to acquire all of the net assets of the Company, the accounting acquiree, and its listing status. The consolidated financial statements are considered to be a continuation of the financial statements of Zefiro Methane Operations Corp., the accounting acquirer, and present the value of its assets and liabilities at historical cost, up to the date of the reverse takeover transaction.

5. REVERSE TAKEOVER TRANSACTION (CONTINUED)

The fair value of the consideration issued to acquire the net assets of the Company is as follows:

	CAD	USD
	$	$
Fair value of shares and warrants (17,472,000 shares and 6,000,000 warrants)	8,298,240	6,052,570
Total consideration	**8,298,240**	**6,052,570**
Net assets (liabilities) acquired:		
Cash	5,661,910	4,129,684
Subscriptions receivable	330,075	240,750
GST/HST receivable	7,455	5,438
Prepaid expenses	10,000	7,294
Accounts payable and accrued liabilities	(25,631)	(18,695)
Net assets	**5,983,809**	**4,364,471**
Listing expense	**2,314,431**	**1,688,099**

The fair value of the Company's 12,000,000 units was determined to be approximately $0.36 (CA$0.50) per unit based on recent financings completed in advance of the reverse takeover transaction. The units were comprised of 12,000,000 common shares and 6,000,000 warrants. The fair value of the Company's 5,472,000 common shares was also determined to be approximately $0.31 (CA$0.42) per share based on recent financings completed prior to the reverse takeover transaction.

6. P&G ACQUISITION

On May 12, 2023, the Company successfully completed the acquisition of 75% of the outstanding shares of P&G for purchase price consideration of $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is repayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G held by the Company.

6. P&G ACQUISITION (CONTINUED)

The business and assets included in the P&G Acquisition are located in the United States. The P&G Acquisition expands Zefiro's pipeline into Pennsylvania's Appalachians and adds multi-generational project expertise in some of America's most difficult terrains. The purpose of the P&G Acquisition is to expand the Company's oil and gas well abatement services into the Utica and Marcellus shale formations. P&G provides vertically integrated solutions for plug and abandonment operations, upstream workover, well completions and cementing services.

At the time of the acquisition, P&G met the definition of a business as defined under IFRS 3 "Business Combinations" and was accounted for as a business combination. The assets acquired and the liabilities assumed have been recorded at their respective estimated fair values as of the acquisition date.

The fair values of the identifiable assets and liabilities assumed as well as the purchase consideration transferred are presented below.

	USD
	$
Fair value of purchase consideration	
Cash paid on acquisition date	3,325,000
Promissory note issued[1]	1,599,400
Total consideration	**4,924,400**
Net assets (liabilities):	
Cash	2,128,377
Accounts receivable[2]	3,797,903
Prepaid expenses	150,649
Property and equipment	10,439,780
Right-of-use asset	394,060
Intangible assets	5,286,000
Accounts payable and accrued liabilities[3]	(1,179,257)
Line of credit	(2,669,737)
Long-term debt	(5,983,576)
Lease liability	(394,060)
Deferred income taxes	(2,585,000)
Net assets acquired	9,385,139
Non-controlling interest[4]	(2,346,285)
Gain on bargain purchase	**(2,114,454)**

[1] At issuance, the fair value of the promissory note was $1,599,400, discounted using an 18% market participant rate of return.
[2] The gross amounts of accounts receivable represent their fair value and the amounts that can be collected.
[3] Accounts payable and accrued liabilities acquired have a fair value equal to their gross contractual values and expected cash outflow at the acquisition date.
[4] The Company elected to measure the non-controlling interest based on the Company's proportionate share of the acquired net identifiable assets.

The fair value of the net assets acquired, including identifiable intangible assets exceeded the purchase price of $4,924,400. Accordingly, the Company recognized the excess of the fair value of the net assets acquired over purchase price of $2,114,454 as a gain on bargain purchase. The Company believes it was able to negotiate a bargain purchase as P&G did not carry out a formal competitive sales process which would be expected to yield the highest sale price and P&G has significant long-term customers which a market participant would consider to have value.

If P&G had been consolidated into the Company's operations from July 1, 2022, the consolidated revenues for the year ended June 30, 2023 would have been approximately $26,747,499 and the consolidated net loss for the year ended June 30, 2023 would have been approximately $3,500,349.

7. PREPAID EXPENSES

	June 30, 2023	June 30, 2022
	$	$
Advertising and promotion	19,115	-
Consulting and management fees	9,460	-
Dues and subscriptions	28,339	-
Insurance	114,194	-
Listing fees	3,773	-
Professional fees	26,444	-
Rent	12,549	-
Salaries and benefits	5,364	-
	219,238	**-**

8. PROPERTY AND EQUIPMENT

Cost	Machinery and equipment	Vehicles	Total
	$	$	$
Balance, September 9, 2021	-	-	**-**
Additions	65,933	-	65,933
Foreign exchange	(1,087)	-	(1,087)
Balance, June 30, 2022	**64,846**	**-**	**64,846**
P&G Acquisition	7,171,270	3,268,510	10,439,780
Additions	55,952	-	55,952
Foreign exchange	(1,570)	-	(1,570)
Balance, June 30, 2023	**7,290,498**	**3,268,510**	**10,559,008**
Accumulated amortization			
Balance, September 9, 2021 and June 30, 2022	**-**	**-**	**-**
Additions	162,027	138,788	300,815
Foreign exchange	81	-	81
Balance, June 30, 2023	**162,108**	**138,788**	**300,896**
Net book value			
Balance, June 30, 2022	**64,846**	**-**	**64,846**
Balance, June 30, 2023	**7,128,390**	**3,129,722**	**10,258,112**

9. RIGHT-OF-USE ASSET

Cost	Right-of-use asset
	$
Balance, September 9, 2021 and June 30, 2022	**-**
P&G Acquisition	394,060
Balance, June 30, 2023	**394,060**
Accumulated amortization	
Balance, September 9, 2021 and June 30, 2022	**-**
Additions	10,326
Balance, June 30, 2023	**10,326**
Net book value	
Balance, June 30, 2022	**-**
Balance, June 30, 2023	**383,734**

10. INTANGIBLE ASSETS

Cost	Customer relationships	Brand name	Total
	$	$	$
Balance, September 9, 2021 and June 30, 2022	**-**	**-**	**-**
P&G Acquisition	4,998,000	288,000	5,286,000
Balance, June 30, 2023	**4,998,000**	**288,000**	**5,286,000**
Accumulated amortization			
Balance, September 9, 2021 and June 30, 2022	**-**	**-**	**-**
Additions	134,562	-	134,562
Balance, June 30, 2023	**134,562**	**-**	**134,562**
Net book value			
Balance, June 30, 2022	**-**	**-**	**-**
Balance, June 30, 2023	**4,863,438**	**288,000**	**5,151,438**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2023	June 30, 2022
	$	$
Trade payables	1,093,693	4,072
Accrued liabilities	182,524	68,982
	1,276,217	**73,054**

12. LINE OF CREDIT

The Company maintains a line of credit arrangement which authorizes borrowing to a maximum of $3,000,000. Interest is charged at the rate of Wall Street Journal Prime Rate plus 1.0% with a floor of 5.0%. Outstanding advances and accrued interest on the line totaled $2,276,972 and $Nil at June 30, 2023 and 2022, respectively. The line matures on demand. The line is secured by all business assets of the Company.

13. LONG-TERM DEBT

	Note	June 30, 2023	June 30, 2022
		$	$
Loan from former shareholder of P&G	(i)	499,705	-
Equipment loans	(ii)	2,201,838	-
Vehicle loans	(iii)	623,775	-
P&G Acquisition promissory note	(iv)	1,638,047	-
Total		**4,963,365**	**-**
Less current portion		(824,982)	-
Long-term debt		**4,138,383**	**-**

(i) Loan from former shareholder of P&G

In connection with the P&G Acquisition, the Company assumed a loan from a former shareholder of P&G for treasury stock purchases with a total outstanding balance of $508,101. $1,014,000 in loan proceeds were received from a former shareholder of P&G for treasury stock purchases. The amount owing is to be repaid in 120 monthly payments of $10,000, including interest of 3.44%. The loan is unsecured.

(ii) Equipment loans

In connection with the P&G Acquisition, the Company assumed various equipment loans with a total outstanding balance of $2,273,540. The loans are repayable over terms of 48 to 60 months and bear interest of 3.99% to 7.00%. Monthly payments are between $577 and $11,344. The loans are secured by the respective equipment acquired.

(iii) Vehicle loans

In connection with the P&G Acquisition, the Company assumed various vehicle loans with a total outstanding balance of $656,243. The loans are repayable over terms of 48 to 60 months and bear interest of 4.75% to 7.59%. Monthly payments are between $751 and $7,425. The loans are secured by the respective vehicles acquired.

(iv) P&G Acquisition promissory note

In connection with the P&G Acquisition, the Company issued a promissory note for $2,000,000. The note has a principal balance of $2,000,000, is prepayable at any time, and bears interest at a rate of 6% per annum compounded monthly.

13. LONG-TERM DEBT (CONTINUED)

(iv) P&G Acquisition promissory note (continued)

The note matures on the earlier of the second anniversary of the share purchase agreement or the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.
- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.
- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G held by the Company.

The promissory note was recognized at fair value using a discount rate of 18%, which resulted in the Company recognizing the loan at an initial fair value of $1,599,400.

	Face value $	Carrying value $
Balance, September 9, 2021 and June 30, 2022	-	-
Issued	2,000,000	1,599,400
Interest expense	16,030	16,030
Accretion expense	-	22,617
Balance, June 30, 2023	**2,016,030**	**1,638,047**

(v) U.S. Economic Industry Disaster Loan

Previous to and in connection with the P&G Acquisition, the Company lent $1,000,000 to P&G to repay the U.S. Small Business Administration loan. During the year ended June 30, 2023, the $1,772,692 loan with the U.S. Small Business Administration was repaid in full. The loan bore interest at 3.75% per annum and had a face value of $1,772,692 at the time of settlement.

14. LEASE LIABILITY

	Lease liability
	$
Balance, September 9, 2021 and June 30, 2022	**-**
P&G Acquisition	394,060
Interest expense	6,475
Lease payments	(16,900)
Balance, June 30, 2023	**383,635**

	June 30, 2023	June 30, 2022
	$	$
Current portion	58,153	-
Long-term portion	325,482	-
Total lease liability	**383,635**	**-**

At June 30, 2023, the Company is committed to minimum lease payments as follows:

Maturity analysis	June 30, 2023
	$
Less than one year	101,400
One year to three years	304,200
Three to five years	109,850
Total undiscounted lease liabilities	515,450
Amount representing implicit interest	(131,815)
Lease liability	**383,635**

15. INCOME TAXES

The Company is subject to income taxes in Canada and the United States. The statutory income tax rates were 27% in Canada and 21% in the United States. A reconciliation of expected income taxes is as follows:

	Year ended June 30, 2023	Period from September 9, 2021 to June 30, 2022
	$	$
Loss before income taxes	(1,184,391)	(129,878)
Income tax rate	27%	27%
Income tax recovery using statutory rate	(320,000)	(35,067)
Increase (decrease) in income taxes resulting from:		
Non-deductible (taxable) items	177,000	1,816
Financing fees charged to equity	(7,000)	(468)
Change in tax assets not recognized	727,000	33,162
Foreign exchange	(25,000)	557
Effect of different jurisdiction tax rates	(234,000)	-
Income tax expense	**318,000**	**-**

15. INCOME TAXES (CONTINUED)

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at June 30, 2023 are summarized as follows:

	June 30, 2023	June 30, 2022
	$	$
Deferred tax assets (liabilities)		
Property and equipment	(1,914,000)	-
Accounts receivable	3,000	-
Share issuance costs	6,000	368
Non-capital losses	843,000	32,794
Lease liability	81,000	-
Right-of-use asset	(81,000)	-
Intangible assets	(1,082,000)	
	(2,144,000)	33,162
Unrecognized deferred tax assets	(759,000)	(33,162)
Deferred tax liability	**(2,903,000)**	**-**

As at June 30, 2023, the Company has available net operating losses and non-capital losses for income tax purposes in the United States and Canada which are available to be carried forward to reduce taxable income in future years and which expire as follows:

	Taxable Losses	
	United States	Canada
Expiry	$	$
2038	-	43,532
2039	-	3,908
2040	-	1,524
2041	-	6,115
2042	-	129,150
2043	-	2,596,100
Indefinite	325,806	-
Total	**325,806**	**2,780,360**

The potential benefits of the non-capital losses for Canadian income tax purposes in excess of those which offset recognized deferred tax liabilities have not been recognized in these consolidated financial statements as there is no certainty that sufficient future taxable profit will allow the deferred tax asset to be recovered.

16. SHAREHOLDERS’ EQUITY

a) Common shares

Authorized

Unlimited number of common shares without par value.

Share Issuances

As at June 30, 2023, there were 61,257,000 (June 30, 2022 – 41,000,000) common shares issued and outstanding.

16. SHAREHOLDERS' EQUITY (CONTINUED)

a) Common shares (continued)

Pursuant to the reverse takeover transaction, at the effective time of the merger, the Company acquired all the issued and outstanding shares of Zefiro Methane Operations Corp. through issuing 41,000,000 shares and 12,000,000 share purchase warrants (Note 5). As the financial statements are a continuance of Zefiro Methane Operation Corp.'s operations, all share numbers, share prices and exercise prices have been adjusted on a retrospective basis to reflect the exchange.

Activities for the year ended June 30, 2023:

Throughout August 2022, and prior to the completion of the reverse takeover transaction, the Company completed a private placement of 12,000,000 units at a price of CA$0.50 per unit for gross proceeds of CA$6,000,000. Each unit was comprised of one common share and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of $0.57 (CA$0.75) for a period of two years. The Company incurred share issuance costs of $16,717 (CA$21,600) related to this private placement.

On May 29, 2023, the Company completed a non-brokered private placement. The Company issued 2,785,000 units at a price of CA$1.00 per unit for total proceeds of $2,048,223 (CA$2,785,000), with each unit comprised of one common share and one-half of a warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $1.13 (CA$1.50). No value was allocated to the warrants based on the residual method.

During the year ended June 30, 2023, the Company received $47,317 (CA$60,000) in proceeds pertaining to past private placements and $78,860 (CA$100,000) in connection with shares issued under its milestone agreement.

Activities for the period ended June 30, 2022:

On March 29, 2022, the Company completed a private placement of 13,000,000 common shares at a price of CA$0.005 per share for gross proceeds of $51,259 (CA$65,000).

On April 4, 2022, the Company completed a private placement of 12,000,000 units (each, "Unit") and 4,000,000 common shares at a price of CA$0.02 for gross proceeds of $252,353 (CA$320,000). Each Unit is comprised of one common share of the Company and one common share purchase warrant, exercisable for an additional common share at an exercise price of $0.08 (CA$0.10) for a period of five years from the date of issuance. No value was allocated to the warrants based on the residual method. As of June 30, 2022, $47,317 (CA$60,000) of these proceeds had not been received. Subsequent to June 30, 2022, $47,317 (CA$60,000) was received.

On April 25, 2022, the Company completed a private placement of 7,000,000 common shares of the Company at a price of CA$0.15 per share for gross proceeds of $828,034 (CA$1,050,000). Share issuance costs of $1,735 were incurred in connection with this private placement.

On June 30, 2022, the Company issued 5,000,000 shares under a milestone agreement at a price of CA$0.02 per share for gross proceeds of $78,860 (CA$100,000). As of June 30, 2022, no proceeds had been received for these shares. Subsequent to June 30, 2022, $78,860 (CA$100,000) was received. The Company shall issue the common shares under milestone agreement upon the Company achieving the following milestones:

16. SHAREHOLDERS' EQUITY (CONTINUED)

a) Common shares (continued)

1) 1,500,000 shares upon the Company appointing Talal Debs and Katherine Flex to the Board of Directors (achieved March 30, 2022);

2) 1,500,000 shares upon The Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emission Reductions from Plugging Abandoned and Orphaned Oil and Gas Wells receiving approval from the American Carbon Registry (achieved by June 30, 2022); and

3) 2,000,000 shares upon the verification of the first voluntary carbon credit related to abandoned and orphaned oil and gas wells (achieved by June 30, 2022).

b) Options

The Company has established a stock option plan for its directors, officers, employees, and consultants under which the Company may grant options from time to time to acquire shares. The exercise price of each option shall be determined by the Board of Directors. Options may be granted for a maximum term of ten years from the date of grant. Options are non-transferable and expire immediately upon termination of employment for cause, or within 12 months of termination of employment or holding office as director or officer of the Company or in the case of death. Option vesting periods will be set by the Company's board upon grant.

On September 28, 2022, the Company granted 5,040,356 options to officers, directors and consultants. Each stock option permits the holder to purchase one common share of the Company at an exercise price of $0.38 (CA$0.50) for a period of five years. One quarter of the options vest on September 28, 2023. The remaining options vest evenly each quarter thereafter until June 28, 2024.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The following inputs were used in determining the fair value of the September 28, 2022, option grant: share price of CA$0.42, exercise price of CA$0.50, expected life of 5 years, 113% volatility and 3.24% risk free rate.

On March 29, 2023, the Company granted 546,248 options to an employee and consultants. Each stock option permits the holder to purchase one common share of the Company at an exercise price of $0.38 (CA$0.50), expiring September 28, 2027. One quarter of the options vest on September 28, 2023. The remaining options vest evenly each quarter thereafter until June 28, 2024.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The following inputs were used in determining the fair value of the 2023 option grants: share price of CA$0.42, exercise price of CA$0.50, expected life of 4.50 – 5 years, 113 - 122% volatility and 3.05% - 3.24% risk free rate.

Total share-based compensation expense for the year ended June 30, 2023, was $822,106 (2022: $6,728).

16. SHAREHOLDERS' EQUITY (CONTINUED)

b) Options (continued)

The following table summarizes information about the options outstanding and exercisable as at June 30, 2023:

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Expiration date
$0.38 (CA$0.50)	5,586,604	-	4.25	September 28, 2027

	Number of options	Weighted average exercise price
Outstanding, September 9, 2021 and June 30, 2022	**-**	**-**
Granted	5,586,604	$0.38 (CA$0.50)
Outstanding, June 30, 2023	**5,586,604**	**$0.38 (CA$0.50)**

b) Warrants

The following table summarizes information about the warrants outstanding and exercisable as at June 30, 2023:

Exercise price	Number of warrants outstanding	Weighted-average remaining contractual life (years)	Expiration date
$0.08 (CA$0.10)	12,000,000	3.76	April 4, 2027
$0.57 (CA$0.75)	1,045,000	1.12	August 11, 2024
$0.57 (CA$0.75)	3,378,800	1.14	August 19, 2024
$0.57 (CA$0.75)	1,576,200	1.15	August 24, 2024
$1.13 (CA$1.50)	1,392,500	1.92	May 29, 2025

	Number of warrants	Weighted average exercise price
Outstanding, September 9, 2021	**-**	**-**
Issued	12,000,000	$0.08 (CA$0.10)
Outstanding, June 30, 2022	**12,000,000**	**$0.08 (CA$0.10)**
Issued	7,392,500	$0.67 (CA$0.89)
Outstanding, June 30, 2023	**19,392,500**	**$0.30 (CA$0.40)**

As at June 30, 2023, the warrants had a remaining weighted average useful life of 2.82 years (June 30, 2022 – 4.76 years).

17. NON-CONTROLLING INTEREST

The Company's non-controlling interest represents a third party's 25% ownership interest in P&G. The principal place of business of P&G is in the United States.

Summarized financial information of P&G is provided below and is based on amounts before intercompany eliminations.

Summarized Statement of Financial Position
(Expressed in United States dollars)

	June 30, 2023
	$
Current assets	6,097,443
Non-current assets	15,720,896
Current liabilities	(4,236,414)
Non-current liabilities	(6,728,818)
Total equity	**10,853,107**
Attributable to:	
Shareholders of the company	8,139,830
Non-controlling interest	2,713,277

Summarized Statement of Profit
(Expressed in United States dollars)

	Period from May 12, 2023 to June 30, 2023
	$
Revenue	5,981,996
Cost of sales	(3,108,047)
Operating expenses	(1,028,941)
Other income	(59,040)
Net income before income taxes	**1,785,968**
Income tax expense	(318,000)
Net income for the year	**1,467,968**
Total comprehensive income	**1,467,968**
Attributable to:	
Non-controlling interest	366,992

Summarized Statement of Cash Flows
(Expressed in United States dollars)

	Period from May 12, 2023 to June 30, 2023
	$
Operating activities	230,465
Investing activities	(39,051)
Financing activities	(2,081,551)
Change in cash	(1,890,137)

17. NON-CONTROLLING INTEREST (CONTINUED)

The following table summarizes the change in the accumulated non-controlling interest of P&G:

	Non-controlling interest
	$
Balance, September 9, 2021 and June 30, 2022	-
Acquisition of P&G	2,346,285
Income attributable to non-controlling interest	366,992
Balance, June 30, 2023	**2,713,277**

18. REVENUE

The Company generates revenue from turnkey solutions to plug onshore oil and gas wells which have been disaggregated by source below, as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. All of the Company's revenue is earned in the United States and is recognized over the duration of contracts.

	Year ended June 30, 2023	Period from September 9, 2021 to June 30, 2022
	$	$
Service rig	3,487,188	-
Cementing	1,935,547	-
Transportation	559,261	-
	5,981,996	**-**

19. COST OF REVENUES

	Year ended June 30, 2023	Period from September 9, 2021 to June 30, 2022
	$	$
Salaries and benefits	1,243,900	-
Material costs	172,480	-
Subcontracted labor and materials	772,731	-
Repairs and maintenance	154,666	-
Travel, lodging and meals	247,874	-
Equipment rental expense	269,431	-
Fuel	162,083	-
Insurance	32,023	-
Shop expenses	30,763	-
Licenses and permits	19,836	-
Lubes, tools and supplies	2,260	-
	3,108,047	**-**

20. GENERAL AND ADMINISTRATIVE

	Year ended June 30, 2023	Period from September 9, 2021 to June 30, 2022
	$	$
Advertising	201,802	4,741
Bad debt expense	13,433	-
Dues and subscriptions	32,510	-
Insurance	130,639	-
Office	53,100	5,555
Rent	31,821	-
Telephone	2,822	-
Travel and entertainment	335,816	10,607
Utilities and taxes	7,077	-
	809,020	**20,903**

21. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive management and non-executive directors. Remuneration of key management personnel was as follows:

	Year ended June 30, 2023	Period from September 9, 2021 to June 30, 2022
	$	$
Salaries and benefits	727,119	40,587
Consulting and management fees	328,155	-
Rent	5,482	-
	1,060,756	**40,587**

As of June 30, 2023, $Nil (June 30, 2022 - $50,094) in accounts payable and accrued liabilities was owing to a significant shareholder of the Company. The balance owing did not bear interest, was unsecured and had no fixed terms of repayment.

As of June 30, 2023, $7,924 (June 30, 2022 - $Nil) in accounts payable and accrued liabilities was owing to company controlled by a director of the Company. The balance owing did not bear interest, was unsecured and had no fixed terms of repayment.

As of June 30, 2023, $17,745 (June 30, 2022 - $Nil) in accounts receivable was owing from a significant shareholder. The balance owed did not bear interest, was unsecured and had no fixed terms of repayment.

As of June 30, 2023, included in long-term debt was a promissory note with an outstanding balance of $2,016,030 (June 30, 2022 - $Nil) owing to an officer of P&G. See Note 14 (iv).

As of June 30, 2023, included in long-term debt was a promissory note with an outstanding balance of $499,705 (June 30, 2022 - $Nil) owing to a family member of an officer of P&G. See Note 14 (i).

During the year ended June 30, 2023, the Company incurred $748,718 (2022 - $Nil) in share-based compensation expenses with directors and officers.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The Company's financial instruments include cash, accounts receivable, accounts payable, line of credit, long-term debt, lease liability and advances payable. IFRS 7 Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, accounts receivable, accounts payable, line of credit and advances payable approximate their respective fair values due to their short-term nature. The carrying value of debt where interest is charged at a fixed rate is not significantly different from the fair value. Cash is measured at fair value using level 1 inputs.

Risk Management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company's activities expose it to a variety of financial risks. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and trade accounts receivable. The Company manages credit risk pertaining to its cash balances by ensuring funds are kept at reputable financial institutions. Credit risk pertaining to accounts receivable is mitigated through active management and monitoring of customer receivable balances. The Company also carefully evaluates the creditworthiness of customers prior to conducting business with them and monitors its exposure to credit losses with existing customers. Accounts receivable are shown net of any provision made for impairment of the receivables. The Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following table provides disclosures about credit risk exposure and expected credit losses on trade receivables as at June 30, 2023:

	0 – 30 days	31 – 60 days	61 – 90 days	Over 90 days	Total
Gross carrying amount	5,534,474	149,467	13,433	67,726	5,765,100
Loss allowance	-	-	(13,433)	-	(13,433)
Net	5,534,474	149,467	-	67,726	5,751,667
ECL rate	0%	0%	100%	0%	0%

The Company had no trade receivables as at June 30, 2022.

The Company applies a direct customer analysis approach to measure expected credit losses. The Company assesses the collectability of receivables of each customer on an individual basis using quantitative and qualitative information available to management. The historical loss rates are adjusted to reflect the current and forward-looking information on economic factors affecting the ability of the customers to make regular monthly payments on the receivables.

During the year ended June 30, 2023, the Company identified significantly overdue trade accounts receivable with one customer. The Company recorded a provision for doubtful accounts of $13,433 (2022 - $Nil) for expected credit losses. All customer balances in accounts receivable as at June 30, 2023 and 2022 were expected to be collected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its accounts payable, line of credit and long-term debt. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. Liquidity risk is assessed as high.

Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2023, are as follows:

	Less than 1 year	1 – 5 years	After 5 years	Total
	$	$	$	$
Accounts payable and accrued liabilities	1,276,217	-	-	1,276,217
Advance payable	3,435	-	-	3,435
Line of credit	2,276,972	-	-	2,276,972
Long-term debt	978,439	4,684,324	387,525	6,050,288
Lease liability	101,400	414,050	-	515,450
	4,636,463	**5,098,374**	**387,525**	**10,122,362**

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also manages its liquidity risk through the financial support of its shareholders and key management personnel. Liquidity risk is assessed as high.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to this risk through its line of credit. As at June 30, 2023, an increase in interest rates by 1% would affect comprehensive loss by approximately $22,652 (2022 - $Nil).

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than its functional currencies. The fluctuation in foreign currencies will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. At June 30, 2023, the Zefiro Methane Corp. and Zefiro Methane Operations Corp. held net financial liabilities of CA$2,469,164 denominated in US dollars (US$1,863,454). A 10% change in the foreign exchange rate would result in a change in the net income for the period of approximately CA$247,000.

23. CAPITAL MANAGEMENT

The Company monitors its cash and common shares as capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company's objectives in terms of capital management have not changed during the period ended June 30, 2023.

The Company is not subject to any external capital requirements as of June 30, 2023.

24. CONCENTRATIONS

Major customers are defined as customers that each individually account for greater than 10% of the Company's annual revenues. As at June 30, 2023, the Company had receivables from four major customers (June 30, 2022 – zero major customers) that accounted for approximately 75% (June 30, 2022 – 0%) of receivables. For the year ended June 30, 2023, the Company had revenue from four major customers (June 30, 2022 – zero major customers) that accounted for approximately 76% (June 30, 2022 - 0%) of revenue.

25. SEGMENTED INFORMATION

The Company has one operating segment, being the provider of a range of turnkey solutions to plug onshore oil and gas wells across the Appalachian Basin.

All of the Company's revenue is earned in the United States.

The following is a summary of non-current assets other than financial instruments of the Company by geographical region:

Geographical segments	Canada	United States	Total
Non-current assets	**$**	**$**	**$**
June 30, 2023	72,388	16,515,444	16,587,832
June 30, 2022	64,846	-	64,846

26. SUBSEQUENT EVENTS

On July 13, 2023, the Company granted 1,400,000 options to consultants and employees. The options are exercisable at a price of CA$1.00 per share for a period of five years following the date of issuance. The options vest equally on January 13, 2023, April 13, 2025, July 13, 2025 and October 13, 2025.

On September 1, 2023, the spouse of a director of the Company, loaned the Company $1,000,000 under a promissory note (the "Zefiro USA Note"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a of rate 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Company at any time without penalty. The Company paid $30,000 in closing costs in connection with the issuance of the Zefiro USA Note.

Subsequent to the year ended June 30, 2023, the borrowing limit on the line of credit (Note 12) was increased from $3,000,000 to $4,000,000.

APPENDIX 4 – ZEFIRO METHANE'S AUDITED FINANCIAL STATEMENTS FROM INCORPORATION ON SEPTEMBER 9, 2021 TO JUNE 30, 2022

Zefiro Methane Operations Corp.

(Formerly Zefiro Methane Corp.)
CONSOLIDATED FINANCIAL STATEMENTS
For the period from incorporation on September 9, 2021, to June 30, 2022
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zefiro Methane Operations Corp.,

Opinion

We have audited the consolidated financial statements of Zefiro Methane Operations Corp. (formerly Zefiro Methane Corp), (the "Company"), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation on September 9, 2021 to June 30, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flow for the period from incorporation on September 9, 2021 to June 30, 2022 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 3, 2023

Zefiro Methane Operations Corp. (formerly Zefiro Methane Corp.)

Consolidated Statement of Financial Position
Expressed in Canadian dollars
As at June 30,

	Note	2022
ASSETS		**$**
Current assets		
Cash		1,231,773
Total current assets		**1,231,773**
Equipment	5	83,607
TOTAL ASSETS		**1,315,380**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	6	94,190
Advance payable		4,551
TOTAL LIABILITIES		**98,741**
Shareholders' equity		
Share capital	7	1,541,332
Subscriptions receivable	7	(160,000)
Deficit		(164,693)
TOTAL SHAREHOLDERS' EQUITY		**1,216,639**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,315,380**

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

Approved and Authorized by the Board on November 3, 2023:

"Jonson Sun"	*"Talal Debs"*
Director	Director

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

Zefiro Methane Operations Corp. (formerly Zefiro Methane Corp.)

Consolidated Statement of Loss and Comprehensive Loss
Expressed in Canadian dollars

	Note	For the period from incorporation on September 9, 2021, to June 30, 2022
EXPENSES		**$**
General and administrative		19,504
Management fees		10,823
Professional fees		59,372
Advertising and promotions		7,001
Regulatory fees		5,250
Finance expenses		752
Salaries and benefits	8	52,922
Share-based compensation	7	8,532
		(164,156)
Other Items		
Foreign exchange loss		(537)
		(537)
Net loss and comprehensive loss for the year		**(164,693)**
Loss per share		
Basic and diluted		($0.02)
Weighted average shares outstanding		
Basic and diluted		10,639,455

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

Zefiro Methane Operations Corp. (formerly Zefiro Methane Corp.)
Consolidated Statement of Changes in Equity
Expressed in Canadian dollars

	Number of common shares	Share capital	Subscriptions receivable	Deficit	Total
		$	**$**	**$**	**$**
Balance, September 9, 2021	**-**	**-**	**-**	**-**	**-**
Shares issued for cash (Note 7)	36,000,000	1,435,000	(60,000)	-	**1,375,000**
Share issuance costs (Note 7)	-	(2,200)	-	-	**(2,200)**
Shares issued under agreement (Note 7)	5,000,000	108,532	(100,000)	-	**8,532**
Loss for the period	-	-	-	(164,693)	**(164,693)**
Balance, June 30, 2022	**41,000,000**	**1,541,332**	**(160,000)**	**(164,693)**	**1,216,639**

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

Zefiro Methane Operations Corp. (formerly Zefiro Methane Corp.)
Consolidated Statement of Cash Flows
Expressed in Canadian dollars

	For the period from incorporation on September 9, 2021, to June 30, 2022
OPERATING ACTIVITIES	**$**
Net loss for the period	(164,693)
Non-cash items	
Share-based compensation	8,532
Changes in non-cash working capital:	
Increase in accounts payable and accrued liabilities	94,190
Net cash used in operating activities	**(61,971)**
INVESTING ACTIVITIES	
Purchase of equipment	(83,607)
Net cash used in investing activities	**(83,607)**
FINANCING ACTIVITIES	
Proceeds from issuance of shares	1,375,000
Share issuance costs	(2,200)
Proceeds from advance payable	4,551
Net cash provided by financing activities	**1,377,351**
Change in cash	**1,231,773**
Cash, beginning of period	-
Cash, end of period	**1,231,773**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Zefiro Methane Operations Corp. (formerly Zefiro Methane Corp.), ("Zefiro" or the "Company"), is a company incorporated on September 9, 2021 under the Business Corporations Act (British Columbia). The Company's name changed from Eleven Gold Corporation to Nil Carbon Corp. on February 28, 2022, from Nil Carbon Corp. to Zefiro Methane Corp. on March 21, 2022, and from Zefiro Methane Corp. to Zefiro Methane Operations Corp. on September 23, 2022. The registered records and head office of the Company is located at 2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9. The principal business of the Company is providing remedial services to the oil and gas industry. The Company assists stakeholders on plugging end-of-life orphaned and abandoned oil and gas wells that currently or potentially emit methane, a harmful greenhouse gas (GHG) emission and a potent climate-warming gas.

On May 26, 2022, the Company incorporated a wholly owned subsidiary in the state of Delaware, United States of America, Zefiro Methane LLC (Note 2).

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. For the period from incorporation on September 9, 2021, to June 30, 2022, and as at June 30, 2022, the Company incurred a net loss and had a deficit of $164,693. The Company has not generated cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders, and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying financial statements. Such adjustments could be material.

In March 2021, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

a) Statement of compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors on November 3, 2023.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis and are presented in Canadian dollars. The functional currency of the Company is the Canadian dollar.

c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary as follows:

Name	Country of Incorporation
Zefiro Methane LLC (Note 1)	USA

2. BASIS OF PRESENTATION (continued)

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of Equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use.

The Company depreciates its equipment using the straight-line method over a useful life of 10 years.

b) Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

c) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

If the Company issues units as part of financing, where such units consist of both common shares and common share purchase warrants, the value of the common shares is determined first and the residual value is allocated to the warrants.

d) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and the related expenses are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to equity reserve. The fair value of options is determined using the Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Any consideration paid by plan participants on the exercise of stock options is credited to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Loss per share

Basic loss per share is calculated by dividing the Company's net loss by the weighted average number of shares outstanding. Diluted loss per share is calculated by dividing the Company's loss by the sum of the weighted average number of shares issued and outstanding assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted.

f) Financial instruments

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

Financial assets at fair value through other comprehensive income ("FVTOCI")

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial liability held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise.

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

The classification of the Company's financial instruments under IFRS 9 is as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Cash	FVTPL
Accounts payable	Amortized cost
Advance payable	Amortized cost

g) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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 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 tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred 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 tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) New IFRS pronouncements

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. Management will assess the impact of this standard.

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) New IFRS pronouncements (continued)

To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is not expected to have a significant impact on the preparation of financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37). The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022. This amendment is not expected to have a significant impact on the preparation of the consolidated financial statements.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Judgments, estimates and their underlying assumptions are reviewed by the Company's management on an ongoing basis, based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. By their nature, judgments, estimates and assumptions are subject to uncertainty and actual results may differ significantly. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Judgments

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are outlined below.

a) Going concern

Management's assessment that the Company's will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

a) Share-based payments

The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

5. EQUIPMENT

Cost	**Equipment**
	$
Balance, September 9, 2021	-
Additions	83,607
Balance, June 30, 2022	**83,607**
Net book value	
Balance, June 30, 2022	**83,607**

As at June 30, 2022, the equipment has not yet been put into use and no depreciation has been recorded.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2022
	$
Trade payables	5,250
Accrued liabilities	88,940
	94,190

7. SHAREHOLDERS' EQUITY

a) Common shares

Authorized

Unlimited number of common shares without par value.

7. SHAREHOLDERS' EQUITY (continued)

Share Issuances

As at June 30, 2022, there were 41,000,000 common shares issued and outstanding.

Details of the common shares are as follows:

Activities for the period from incorporation on September 9, 2021, to June 30, 2022:

On March 29, 2022, the Company completed a private placement of 13,000,000 common shares of the Company at a price of $0.005 per share for gross proceeds of $65,000.

On April 4, 2022, the Company completed a private placement of 12,000,000 units (each, a "Unit") and 4,000,000 common shares at a price of $0.02 for gross proceeds of $320,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant, exercisable for an additional common share at an exercise price of $0.10 for a period of five years from the date of issuance. No value was allocated to the warrants based on the residual method. As of June 30, 2022, $60,000 of these proceeds had not been received. Subsequent to June 30, 2022, $30,000 was received.

On April 25, 2022, the Company completed a private placement of 7,000,000 common shares of the Company at a price of $0.15 per share for gross proceeds of $1,050,000. Share issuance costs of $2,200 were incurred in connection with this private placement.

On June 30, 2022, the Company issued 5,000,000 shares under a milestone agreement at a price of $0.02 per share for gross proceeds of $100,000 (Note 8). As of June 30, 2022, no proceeds had been received for these shares. Subsequent to June 30, 2022, $100,000 was received. The Company shall issue the common shares under milestone agreement upon the Company achieving the following milestones:

1) 1,500,000 shares upon the Company appointing Talal Debs and Catherine Flax to the Board of Directors (achieved March 30, 2022);

2) 1,500,000 shares upon The Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emission Reductions from Plugging Abandoned and Orphaned Oil and Gas Wells receiving approval from the American Carbon Registry (achieved by June 30, 2022); and

3) 2,000,000 shares upon the verification of the first voluntary carbon credit related to abandoned and orphaned oil and gas wells (achieved by June 30, 2022).

During the period ended June 30, 2022, the Company recognized $8,532 in share-based compensation expenses in connection with the services provided under the milestone agreement. The share-based compensation expenses recognized were determined using the Black-Scholes option pricing model with the following inputs: share price of $0.005, exercise price of $0.005, expected life of 0.75 years, volatility of 100% and risk-free interest rate of 2.53%. Subsequent to entering the milestone agreement, the exercise price was increased to $0.02 per share. This increase did not result in an increase in the fair value of the options and accordingly no additional compensation was recorded.

7. SHAREHOLDERS' EQUITY (continued)

b) Warrants

The following table summarizes information about the warrants outstanding and exercisable as at June 30, 2022:

Exercise price	Number of warrants outstanding	Weighted-average remaining contractual life (years)	Expiration date
$0.10	12,000,000	4.76	April 4, 2027

	Number of warrants	Weighted average exercise price
Outstanding, September 9, 2021	**-**	**-**
Granted	12,000,000	$0.10
Outstanding, June 30, 2022	**12,000,000**	**$0.10**

8. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive management and non-executive directors. During the period ended June 30, 2022, $52,922 in salaries and benefits expenses were incurred with officers of the Company.

During the period ended June 30, 2022, the Company entered into a milestone agreement with a significant shareholder. Under the milestone agreement, the Company issued 5,000,000 shares for total proceeds of $100,000 in exchange for various services. See Note 7 for more details pertaining to this arrangement.

As of June 30, 2022, $64,587 in accounts payable and accrued liabilities was owing to a significant shareholder of the Company. This balance owing did not bear interest, was unsecured and had no fixed terms of repayment.

9. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the income or loss for the year. These differences result from the following items:

	For the period from incorporation on September 9, 2021, to June 30, 2022
	$
Loss before income taxes	(164,693)
Income tax rate	27%
Income tax recovery calculated using statutory rate	(44,467)
Non-deductible expenditures	2,303
Financing fees charged to equity	(594)
Tax asset not recognized	42,758
Income tax recovery	**-**

9. INCOME TAXES (continued)

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at June 30, 2022, are summarized as follows:

	June 30, 2022
Deferred tax assets (liabilities)	**$**
Share issuance costs	475
Non-capital losses	42,282
	42,757
Unrecognized benefit from income tax losses	(42,757)
Net deferred tax assets	**-**

As at June 30, 2022, the Company has estimated non-capital losses for Canadian income tax purposes of approximately $157,000 which may be carried forward to reduce taxable income derived in the future. The non-capital losses expire in 2042.

The potential benefits of these carry-forward net operating losses in excess of those which offset recognized deferred tax liabilities have not been recognized in these consolidated financial statements as there is no certainty that sufficient future taxable profit will allow the deferred tax asset to be recovered.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The Company's financial instruments include cash, accounts payable and advances payable. IFRS 7 Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, accounts payable and advances payable approximate their respective fair values due to their short-term nature. Cash is measured at fair value using level 1 inputs.

Risk Management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company's activities expose it to a variety of financial risks. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. Credit risk is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its accounts payable. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2022, are as follows:

	Less than 1 year	**1 – 5 years**	**After 5 years**	**TOTAL**
	$	$	$	$
Accounts payable	5,250	-	-	5,250
Advances payable	4,551	-	-	4,551
	9,801	**-**	**-**	**9,801**

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also manages its liquidity risk through the financial support of its shareholders and key management personnel. Liquidity risk is assessed as high.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have assets or liabilities denominated in a foreign currency and therefore is not exposed to foreign currency risk.

11. CAPITAL MANAGEMENT

The Company monitors its cash and common shares as capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company is not subject to any external capital requirements as at June 30, 2022.

12. SUBSEQUENT EVENTS

On September 16, 2022, the Company entered into a share exchange agreement with Zefiro Methane Corp. (formerly Caden Capital Corp.), ("Caden"), whereby Caden will acquire all of the issued and outstanding common shares and warrants of the Company in exchange for the issuance of 41,000,000 common shares ("Consideration Shares") and 12,000,000 warrants ("Consideration Warrants") to Zefiro securityholders. Each Consideration Warrant will be exercisable into one common share of Caden on the same terms as such Zefiro warrants were exercisable.

On September 28, 2022, Caden instituted a formal stock option plan. Under the plan, the maximum number of common shares that will be available for issuance is 20% of the issued and outstanding common shares as at the approval date of September 28, 2022. The maximum number of common shares for which awards may be issued to related persons in any 12-month period shall not exceed 10% of the outstanding common shares unless disinterested shareholder approval is obtained, or 5% of the outstanding common shares in the case of a grant of awards to any one related person of Caden.

In conjunction with the institution of Caden's option plan, 5,040,356 fully vested options are to be granted to directors, officers and consultants upon completion of an initial public offering of Caden's common shares. The options are exercisable at a price of $0.50 and expire five years following the date of issuance.

On January 27, 2023, the Company incorporated Zefiro Methane Holding LLC, a wholly owned US subsidiary.

On February 24, 2023, Caden entered into a share purchase agreement with a majority shareholder of Plants and Goodwin Inc. ("P&G"). Under this agreement, Caden will acquire 75% of the issued and outstanding shares of P&G in exchange for $3,325,000 USD in cash and a $2,000,000 USD promissory note. The promissory note has a principal balance of $2,000,000 USD, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000 USD. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 USD plus $5,700,000 USD less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G. The acquisition of P&G closed on May 12, 2023.

Additionally, on May 12, 2023, Caden entered into an option and purchase agreement with one of the significant shareholders of P&G. Under this agreement, the Company has the option to purchase a further 5% interest in P&G until May 12, 2024. The purchase price for the additional shares of P&G starts at $355,000 USD and increases to $420,000 USD at the end of the option exercise period.

On May 29, 2023, Caden completed a non-brokered private placement. Caden issued 2,785,000 units at a price of $1.00 per unit for total proceeds of $2,785,000, with each unit comprised of one common share and one-half of a warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $1.50.

12. SUBSEQUENT EVENTS (continued)

On July 13, 2023, Caden granted 1,400,000 options to consultants and employees. The options are exercisable at a price of $1.00 per share for a period of five years following the date of issuance. The options vest equally on January 13, 2025, April 13, 2025, July 13, 2025 and October 13, 2025.

As part of the acquisition of P&G, the Company loaned US$1,000,000 to P&G to repay a portion of a Small Business Administration loan that P&G had outstanding. The loan accrues interest at a rate of 8% per year that is payable monthly. The balance of the loan is due on the maturity date of June 1, 2025. P&G is permitted to make prepayment of the loan at its discretion.

On September 1, 2023, the spouse of a director of the Company, loaned the Company US$1,000,000 under a promissory note (the "Zefiro USA Note"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a rate of 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Company at any time without penalty.

APPENDIX 5 – P&G'S AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

PLANTS AND GOODWIN, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in US dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plants and Goodwin Inc.

Opinion

We have audited the financial statements of Plants and Goodwin Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2022, December 31, 2021 and January 1, 2021, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended December 31, 2022 and December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis (MD&A), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

•, 2023

PLANTS AND GOODWIN, INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in US dollars)
As at

	Note	December 31, 2022	December 31, 2021	January 1, 2021
ASSETS				
Current				
Cash		$ 93,675	$ 133,473	$ 1,295,360
Accounts receivable	18	3,425,652	1,836,982	636,415
Contract assets		-	174,487	224,587
Prepaid expenses	4	32,844	63,722	6,367
Total current assets		3,552,171	2,208,664	2,162,729
Non-current				
Property and equipment	5	8,527,663	6,449,258	4,994,488
Right-of-use asset	6	373,071	439,889	-
Total assets		$ 12,452,905	$ 9,097,811	$ 7,157,217
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable		$ 1,301,083	$ 195,160	$ 4,485
Accrued payroll and related liabilities		108,678	223,228	166,119
Income taxes payable		-	14,030	-
Line of credit	8	1,255,966	92,000	-
Current portion of long-term debt	9	839,561	764,474	580,290
Lease liability	7	55,175	48,990	-
Total current liabilities		3,560,463	1,337,882	750,894
Non-current				
Long-term debt	9	4,206,839	2,641,723	2,139,071
Lease liability	7	356,552	411,728	-
Deferred income taxes	22	1,057,000	1,130,000	1,205,000
Total liabilities		9,180,854	5,521,333	4,094,965
SHAREHOLDERS' EQUITY				
Share capital	10	64,866	64,866	64,866
Treasury shares	10	(1,102,066)	(1,102,066)	(1,102,066)
Retained earnings		4,309,251	4,613,678	4,099,452
Total shareholders' equity		3,272,051	3,576,478	3,062,252
Total liabilities and shareholders' equity		$ 12,452,905	$ 9,097,811	$ 7,157,217

Nature of operations (Note 1)
Subsequent events (Note 23)

Approved by the Board of Directors

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

PLANTS AND GOODWIN, INC.
STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in US dollars)
For the years ended December 31,

	Note		2022		2021
Revenues					
Service rig	12	$	15,946,753	$	6,880,402
Cementing	12		2,831,837		1,987,524
Transportation	12		1,570,919		1,035,354
Hauling and construction	12		503,654		358,062
			20,853,163		10,261,342
Cost of revenues	13		18,895,522		8,606,341
Gross profit			1,957,641		1,655,001
Costs and expenses					
Selling, general and administrative expenses	14		1,666,396		1,323,669
Depreciation	5,6		951,109		722,643
			2,617,505		2,046,312
Operating loss			(659,864)		(391,311)
Other income (expenses)					
Finance expenses	16		(363,271)		(202,700)
Gain on disposal of assets	5		264,189		147,228
Other income	15		383,019		904,039
			283,937		848,567
Income (loss) before income taxes			(375,927)		457,256
Income tax recovery	22		71,500		59,470
Net income (loss) and comprehensive income (loss)		$	(304,427)	$	516,726
Earnings (loss) per share – Basic and diluted		$	(2,636)	$	4,474
Weighted average number of common shares outstanding – Basic and diluted			115.50		115.50

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

PLANTS AND GOODWIN, INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in US dollars)

	Number of issued shares		Amount		Share capital		Retained earnings		Total
Balance, January 1, 2021	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,099,452**	**$**	**3,062,252**
Dividends	-		-		-		(2,500)		(2,500)
Net income and comprehensive income	-		-		-		516,726		516,726
Balance, December 31, 2021	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,613,678**	**$**	**3,576,478**
Balance, January 1, 2022	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,613,678**	**$**	**3,576,478**
Net loss and comprehensive loss	-		-		-		(304,427)		(304,427)
Balance, December 31, 2022	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,309,251**	**$**	**3,272,051**

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

PLANTS AND GOODWIN, INC.
STATEMENT OF CASH FLOWS
(Expressed in US dollars)
For the years ended December 31,

		2022		2021
Cash flows from operating activities				
Net income (loss)	$	(304,427)	$	516,726
Items not affecting cash:				
Depreciation		951,109		722,643
Gain on disposal of assets		(264,189)		(147,228)
Deferred income taxes		(73,000)		(75,000)
Government assistance		(362,438)		(114,101)
Interest expense		132,729		67,816
Debt forgiveness from Payroll Protection Program loan		-		(733,376)
Changes in non-cash working capital				
Accounts receivable		(1,588,670)		(1,200,567)
Contract assets		174,487		50,100
Prepaid expenses		30,878		(57,355)
Accounts payable		1,105,923		190,675
Accrued payroll and related liabilities		(114,550)		57,109
Income taxes payable		(14,030)		14,030
Net cash flows used in operating activities		(326, 178)		(708,528)
Cash flows from investing activities				
Proceeds from sale of equipment		141,800		723,968
Proceeds from sale of land		148,097		-
Capital improvements and purchases of equipment		(2,988,404)		(2,693,832)
Net cash flows used in investing activities		(2,698,507)		(1,969,864)
Cash flows from financing activities				
Dividends paid		-		(2,500)
Borrowings on long-term debt		2,961,578		1,455,642
Repayments of long-term debt		(1,039,257)		(670,463)
Proceeds from line of credit		1,163,966		92,000
Lease liability payments		(101,400)		(91,550)
Proceeds from Payroll Protection Program loan		-		733,376
Net cash flows provided by financing activities		2,984,887		1,516,505
Change in cash	$	(39,798)	$	(1,161,887)
Cash				
Beginning of year	$	133,473	$	1,295,360
End of year	$	93,675	$	133,473
Supplemental cash flow disclosure				
Interest paid	$	230,540	$	134,885
Taxes paid	$	30,320	$	1,500

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

1. NATURE OF OPERATIONS

Plants & Goodwin, Inc. (the "Company") is a provider of a range of turnkey solutions to plug orphaned oil and gas wells. Founded in 1970, the Company is a long-standing leader in plugging orphaned wells in shale and sandstone formations across the Appalachian Basin. The Company was incorporated in the state of Pennsylvania in January 1994. The Company's head office and registered records office is located at 360 High Street, Bradford, PA 16701.

These financial statements were approved and authorized for issuance by the Board of Directors on ● , 2023.

2. BASIS OF PRESENTATION

Basis of presentation and statement of compliance

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective for the Company's reporting for the year ended December 31, 2022. These financial statements are the first that the Company has prepared in accordance with IFRS. Refer to Note 3 for details on the impact of IFRS first-time adoption.

(b) Functional and presentation currency

The financial statements are expressed in U.S. dollars, which is the functional currency of the Company.

(c) Basis of measurement

These financial statements have been prepared on a historical cost basis except as otherwise stated and allowed for in accordance with IFRS.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS

(a) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Depreciation is provided on the straight-line method over the estimated useful lives and salvage value of the assets. Maintenance and repairs are charged to expense as incurred; cost of major additions and betterments are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from property and equipment and any gain or loss is reflected as a gain or loss from operations.

The estimated useful lives are:

Machinery and equipment	10-25 years
Vehicles	5-8 years
Right-of-use assets	Over the term of the lease

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

(b) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets, including property and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs, which is the smallest identifiable group

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

of assets that generate cash inflows that are largely independent of the cash inflows of other assets that generate cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is based on available market information, where applicable. In the absence of such information, it is determined using discounted future net cash flows. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the future cash flows have been estimated.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to be the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(c) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Company recognizes lease liabilities at at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are subject to impairment as outlined in note 3(b). Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	7.5 years

(d) Revenue recognition

The Company's primary revenue streams include Plug and Abandonment services, cementing, transportation, hauling and construction. The Company recognizes revenue in accordance with International Financial Reporting Standards ("IFRS") 15 "Revenue from Contracts with Customers".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

In accordance with IFRS 15, revenue is recognized upon the satisfaction of performance obligations. Performance obligations are satisfied at the point at which control of the promised goods or services are transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to receive for those goods and services. Service revenues are recorded over time throughout and for the duration of the service period pursuant to a master services agreement ("MSA") combined with a completed field ticket or a work order. Revenues from product sales are recognized when the customer obtains control of the product, which occurs at a point in time, typically upon delivery in accordance with the terms of the field ticket or work order.

Service unit revenue

Consists of activities associated with the utilization of a workover unit to provide a range of turnkey solutions to plug orphaned oil and gas wells. All third-party rental equipment and subcontractor services are passed through this category on a cost-plus markup basis. Service unit revenue is recognized as services are provided.

Cementing service revenue

Consists of activities associated with the receiving, storage, blending, transportation, mixing, and pumping of oilfield cement slurry for new well development, remediation, and abandonment. Cementing service revenue is recognized as services are provided.

Transportation service revenue

Consists of activities surrounding loading, moving, and unloading cargo in support of plug and abandonment services. Transported cargo includes but is not limited to tanks, skid pumps, tubulars, crew trailers, fresh water, construction and demolition waste, and contaminated soils. Transportation service revenue is recognized as services are provided.

Construction service revenue

Consists of activities involving site preparation and reclamation in support of plug and abandonment operations. This includes but is not limited to placing stone or wetland mats for access roads, removal of surface equipment, finish grading, and seeding/mulching. Construction service revenue is recognized as services are provided.

Hauling service revenue

Activities associated with picking up crude oil from local producers' tanks and delivering it to the American Refining Group facility in Bradford, PA. This service was discontinued in November 2022. Hauling service revenue is recognized as services are provided.

Contract balances

Contract assets include unbilled amounts typically resulting from services under long-term contracts when over time method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Contract assets are generally classified as current.

Contract liabilities consist of advance payments and billings in excess of revenue recognized.

Contract assets and liabilities are reported in a net position on a contract by-contract basis at the end of each reporting period. Advance payments and billings in excess of revenue recognized are classified as current or noncurrent based on the timing of when revenue is expected to be recognized.

The Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

(e) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the rights to receive cash flows from the instruments have expired, or when the Company has transferred substantially all risks and rewards of ownership.

Financial instruments are measured at fair value upon initial recognition. Measurement in subsequent periods is dependent on the financial instrument's classification, as described below:

Fair value through profit or loss ("FVTPL")

Financial assets and liabilities designated at fair value through profit or loss are initially recognized and subsequently measured at fair value with subsequent changes in fair value charged to the statement of loss. The Company does not currently have any financial assets or liabilities classified as FVTPL.

Amortized cost

Financial assets and financial liabilities are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, net of any impairment. The Company includes cash, accounts payable and accrued liabilities, and promissory notes within the amortized cost category.

Fair value through other comprehensive income ("FVTOCI")
Financial assets designated at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in other comprehensive income, net of tax. The Company does not currently have any financial assets or liabilities classified as FVTOCI.

Financial Assets	**Subsequent Measurement**
Cash	Amortized cost
Accounts receivable	Amortized cost
Financial Liabilities	**Subsequent Measurement**
Accounts payable and accrued liabilities	Amortized cost
Line of credit	Amortized cost
Long-term debt	Amortized cost
Lease liability	Amortized cost

Impairment of financial assets

Impairment of financial assets carried at amortized cost is determined by measuring the assets' expected credit losses ("ECLs"). Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, which is measured as the difference between the present value of the cash flows due to the Company and the cash flows that the Company expects to receive. In making an assessment as to whether financial assets are credit-impaired, the Company considers historically realized bad debts, evidence of a deterioration of a debtor's financial condition, evidence that a debtor will enter bankruptcy, increase in the number of days the debtor is past due and change in economic condition that could correlate to increased risk of default. ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component since amounts receivable are due within one year or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

(f) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized using the liability method, providing for temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected in the period when the asset is realized, or the asset is settled based on tax rates (and tax law) that have been substantively enacted by the end of the reporting period.

(g) Finance expenses

Finance expense is comprised of interest expense on borrowings, financing fees, accretion of the discount on decommissioning liabilities and accretion of lease liabilities, and impairment losses on financial instruments, and is recognized in the period in which they are incurred.

(h) Income (Loss) per share

Basic loss per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company.

Diluted earnings per share, where applicable, is computed by dividing the net income attributed to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. The treasury stock method is used to determine the dilutive effect of dilutive instruments, where it is assumed that the proceeds received from the exercise price of in-the-money instruments are use to purchase common shares.

(i) Government assistance

Loans received from the government are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government assistance in the statements of income (loss) and comprehensive income (loss).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

(j) New IFRS pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. The Company has reviewed amended accounting pronouncements that have been issued but are not yet effective and determined that the following pronouncements may impact the Company but are not expected to have a material impact on its financial statements.

Amendments to IAS 12 Income Taxes

Effective January 1, 2023, amendments to IAS 12 require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective January 1, 2023, amendments to IAS 8 replace the definition of a change in accounting estimate with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Amendments to IAS 1 Presentation of Financial Statements

Effective January 1, 2023, amendments to IAS 1 require that a company disclose its material accounting policies rather than its significant accounting policies and explain how a company can identify material accounting policies.

Effective January 1, 2024, amendments to IAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability with covenants as current or noncurrent and related disclosure.

(k) Critical accounting estimates and significant management judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management has to the extent reasonable incorporated known facts and circumstances into estimates made, however, actual results may differ from these estimates. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Key sources of estimation uncertainty and judgements used in the preparation of the financial statements are discussed below.

Depreciation

Property and equipment are depreciated, net of estimated residual values, on a straight-line basis over their estimated useful lives. Where facilities and equipment, including major components, are significant in relation to the total cost of the assets and have differing useful lives, they are depreciated separately.

Estimates of the useful lives of property and equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, not electing to exercise renewal options on Leases, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property and equipment would increase the recorded expenses and decrease the non-current assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Provision for expected credit losses on trade receivables

The provision for expected credit losses on trade receivables are estimated based on past credit history with customers and their current financial condition. The Company will calibrate its provision matrix to adjust the historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Leases

Judgments are required to determine if a contract is or contains a lease. These judgements require an assessment of whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company cannot readily determine the interest rate implicit in leases where it is the lessee. As such, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of comparable value to the right-of-use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available or where the applicable rates need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Impairment of non-current assets

Management applies judgment in assessing the existence of impairment indicators based on various internal and external factors. The recoverable amount of assets is determined based on the higher of fair value less costs of disposal or value-in-use calculations. The key estimates the Company applies in determining the recoverable amount normally include estimated future commodity prices, discount rates, expected production volumes, future operating and development costs, income taxes, and operating margins. In determining the recoverable amount, management may also be required to make judgments regarding the likelihood of occurrence of a future event. Changes to these estimates and judgments will affect the recoverable amounts of assets and may then require a material adjustment to their related carrying value.

Current taxes/Deferred taxes

The amounts recorded for current and deferred tax expense and deferred tax liability are based on estimates as to the timing of the reversal of temporary differences, substantively enacted tax rates and the likelihood of tax assets being realized. The availability of tax pools and other deductions are subject to audit and interpretation by tax authorities. The Company follows the liability method for calculating deferred taxes. Judgement is required in the calculation of current and deferred taxes in applying tax laws and regulations, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets.

Identification of cash-generating units (CGU's)

The classification of assets into CGU's requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Company's operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

(l) First-time Adoption of IFRS

These financial statements for the year ended December 31, 2022, are the first the Company has prepared in accordance with IFRS. The Company previously prepared its financial statements, up to and including as of and for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States ("US GAAP").

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at December 31 2022, together with the comparative period data for the year ended December 31, 2021. In preparing the financial statements, the Company's opening statement of financial position was prepared as at January 1, 2021, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its US GAAP financial statements.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

Under IFRS 1, a first-time adopter shall apply the requirements of IFRS 9 Financial Instruments and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transition to IFRS. However, IFRS 1 provides that a first-time adopter may apply the requirements of IFRS 9 and IAS 20 retrospectively provided that the information needed to do so had been obtained at the time of initially accounting for the loan. The Company has chosen to retrospectively apply the requirements of IFRS 9 and IAS 20 to its government loan existing at the date of transition to IFRS.

The Company has not restated contracts that were completed before January 1, 2021, under IFRS 15 Revenue from Contracts with Customers. A completed contract is a contract for which the Company has transferred all of the goods and services identified in accordance with US GAAP.

The Company assessed all contracts existing at January 1, 2021 to determine whether a contract is or contains a lease based upon the conditions in place as at January 1, 2021. The Company did not identify any contracts containing a lease as at January 1, 2021.

Per IFRS 1, a first-time adopter shall recognize at the date of transition to IFRS, a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all temporary differences associated with right-of-use assets and lease liabilities.

IFRS 1 prescribes that assessments of expected credit losses under IFRS 9 are to be applied retrospectively. The Company did not identify any financial assets subject to credit losses as at the date of transition to IFRS.

In addition to the adoption of IFRS, the previously issued US GAAP figures have been restated to give effect to errors identified while the Company was preparing its initial IFRS financial statements. The adjustments are also explained in the following tables and notes that accompany the tables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of financial position and equity as at January 1, 2021 (date of transition to IFRS)

	Note	US GAAP as at January 1, 2021	Reclassifications and remeasurements	IFRS as at January 1, 2021
ASSETS				
Current				
Cash		$ 1,295,360	$ -	$ 1,295,360
Accounts receivable		636,415	-	636,415
Unbilled receivables	A	224,587	(224,587)	-
Contract assets	A	-	224,587	224,587
Prepaid expenses		6,367	-	6,367
Total current assets		2,162,729	-	2,162,729
Non-current				
Property and equipment		4,994,488	-	4,994,488
Total assets		$ 7,157,217	$ -	$ 7,157,217
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current				
Accounts payable		$ 4,485	$ -	$ 4,485
Accrued payroll and related liabilities		166,119	-	166,119
Current portion of long-term debt	B	580,290	-	580,290
Total current liabilities		750,894	-	750,894
Non-current				
Long-term debt	B	2,183,053	(43,982)	2,139,071
Deferred income taxes	C, I	900,000	305,000	1,205,000
Total liabilities		3,833,947	(261,018)	4,094,965
STOCKHOLDERS' EQUITY				
Common stock, 1,000 shares authorized, $10 par value, 300 shares issued and outstanding	D	3,000	(3,000)	-
Additional paid in capital	D	61,866	(61,866)	-
Share capital	D	-	64,866	64,866
Treasury shares		(1,102,066)	-	(1,102,066)
Retained earnings		4,360,470	(261,018)	4,099,452
Total stockholders' equity		3,323,270	(261,018)	3,062,252
Total liabilities and stockholders' equity		$ 7,157,217	$ -	$ 7,157,217

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of financial position and equity as at December 31, 2021

	Note	US GAAP as at December 31, 2021	Reclassifications and remeasurements	IFRS as at December 31, 2021
ASSETS				
Current				
Cash		$ 133,473	$ -	$ 133,473
Accounts receivable		1,836,982	-	1,836,982
Unbilled receivables	A	174,487	(174,487)	-
Contract assets	A	-	174,487	174,487
Prepaid expenses		63,722	-	63,722
Total current assets		2,208,664	-	2,208,664
Non-current				
Property and equipment		6,449,258	-	6,449,258
Operating lease right-of-use asset	E	649,421	(649,421)	-
Right-of-use asset	E	-	439,889	439,889
Total assets		$ 9,307,343	$ (209,532)	$ 9,097,811
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current				
Accounts payable	I	$ 45,160	$ 150,000	$ 195,160
Accrued payroll and related liabilities		223,228	-	223,228
Income taxes payable		14,030	-	14,030
Line of credit		92,000	-	92,000
Current portion of long-term debt	B	770,118	(5,644)	764,474
Current portion of operating lease obligations	E	96,376	(96,376)	-
Lease liability	E	-	48,990	48,990
Total current liabilities		1,240,912	96,970	1,337,882
Non-current				
Long-term debt	B	2,778,405	(136,682)	2,641,723
Long-term operating lease obligations	E	553,045	(553,045)	-
Lease liability	E	-	411,728	411,728
Deferred income taxes	C, I	858,000	272,000	1,130,000
Total liabilities		5,430,362	90,971	5,521,333
STOCKHOLDERS' EQUITY				
Common stock, 1,000 shares authorized, $10 par value, 300 shares issued and outstanding	D	3,000	(3,000)	-
Additional paid in capital	D	61,866	(61,866)	-
Share capital	D	-	64,866	64,866
Treasury shares		(1,102,066)	-	(1,102,066)
Retained earnings		4,914,181	(300,503)	4,613,678
Total stockholders' equity		3,876,981	(300,503)	3,576,478
Total liabilities and stockholders' equity		$ 9,307,343	$ (209,532)	$ 9,097,811

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of financial position and equity as at December 31, 2022

	Note	US GAAP as at December 31, 2022	Reclassifications and remeasurements	IFRS as at December 31, 2022
ASSETS				
Current				
Cash		$ 93,675	$ -	$ 93,675
Accounts receivable		3,425,652	-	3,425,652
Prepaid expenses		32,844	-	32,844
Total current assets		3,552,171	-	3,552,171
Non-current				
Property and equipment	G, I	8,449,689	77,974	8,527,663
Operating lease right-of-use asset	E	553,045	(553,045)	-
Right-of-use asset	E	-	373,071	373,071
Total assets		$ 12,554,905	$ (102,000)	$ 12,452,905
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current				
Accounts payable		$ 1,301,083	$ -	$ 1,301,083
Accrued payroll and related liabilities		108,678	-	108,678
Line of credit		1,255,966	-	1,255,966
Current portion of long-term debt	B	877,656	(38,095)	839,561
Current portion of operating lease obligations	E	97,179	(97,179)	-
Lease liability	E	-	55,175	55,175
Total current liabilities		3,640,562	(80,099)	3,560,463
Non-current				
Long-term debt	B	4,593,187	(386,348)	4,206,839
Long-term operating lease obligations	E	455,866	(455,866)	-
Lease liability	E	-	356,552	356,552
Deferred income taxes	C	680,000	377,000	1,057,000
Total liabilities		9,369,615	(188,761)	9,180,854
STOCKHOLDERS' EQUITY				
Common stock, 1,000 shares authorized, $10 par value, 300 shares issued and outstanding	D	3,000	(3,000)	-
Additional paid in capital	D	61,866	(61,866)	-
Share capital	D	-	64,866	64,866
Treasury shares		(1,102,066)	-	(1,102,066)
Retained earnings		4,222,490	86,761	4,309,251
Total stockholders' equity		3,185,290	86,761	3,272,051
Total liabilities and stockholders' equity		$ 12,554,905	$ (102,000)	$ 12,452,905

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of comprehensive income for the year ended December 31, 2021

	Note	US GAAP for the year ended December 31, 2021	Reclassifications and remeasurements	IFRS for the year ended December 31, 2021
Revenues				
Service rig		$ 6,880,402	$ -	$ 6,880,402
Cementing		1,987,524	-	1,987,524
Transportation		1,035,354	-	1,035,354
Hauling and construction		358,062	-	358,062
		10,261,342	-	10,261,342
Cost of revenues	F, I	-	8,606,341	8,606,341
Gross profit		10,261,342	(8,606,341)	1,655,001
Costs and expenses				
Cost of revenues	F	8,456,341	(8,456,341)	-
Selling, general and administrative expenses	E	1,415,219	(91,550)	1,323,669
Depreciation	E	662,322	60,321	722,643
Gain on disposal of assets	G	(147,228)	147,228	-
		10,386,654	(8,340,342)	2,046,312
Operating loss		(125,312)	(265,999)	(391,311)
Other income (expenses)				
Finance expenses	B,E	(134,885)	(67,815)	(202,700)
Gain on disposal of assets	G	-	147,228	147,228
Other income	B	789,938	114,101	904,039
		655,053	193,514	848,567
Income before income taxes		529,741	(72,485)	457,256
Income tax recovery (expense)	C	26,470	33,000	59,470
Net and comprehensive income		$ 556,211	$ (39,485)	$ 516,726
Earnings per share – Basic and diluted		$ 4,816	$ 342	$ 4,474
Weighted average number of common shares outstanding – Basic and diluted		115.50	115.50	115.50

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of comprehensive loss for the year ended December 31, 2022

	Note	US GAAP for the year ended December 31, 2022	Reclassifications and remeasurements	IFRS for the year ended December 31, 2022
Revenues				
Service rig		$ 15,946,753	$ -	$ 15,946,753
Cementing		2,831,837	-	2,831,837
Transportation		1,570,919	-	1,570,919
Hauling and construction		503,654	-	503,654
		20,853,163	-	20,853,163
Cost of revenues	F, I	-	18,895,522	18,895,522
Gross profit		20,853,163	(18,895,522)	1,957,641
Costs and expenses				
Cost of revenues	F	19,149,204	(19,149,204)	-
Selling, general and administrative expenses	E	1,767,798	(101,402)	1,666,396
Depreciation	E,G	884,290	66,819	951,109
Gain on disposal of assets	G	(141,800)	141,800	-
		21,659,492	(19,041,987)	2,617,505
Operating loss		(806,329)	146,465	(659,864)
Other income (expenses)				
Finance expenses	B,E	(230,540)	(132,731)	(363,271)
Gain on disposal of assets	G	-	264,189	264,189
Other income	B,G	168,678	214,341	383,019
		(61,862)	345,799	283,937
Loss before income taxes		(868,191)	492,265	(375,927)
Income tax recovery	C	176,500	(105,000)	71,500
Net and comprehensive loss		$ (691,691)	$ 387,264	$ (304,427)
Loss per share – Basic and diluted		$ (5,989)	$ 3,353	$ (2,636)
Weighted average number of common shares outstanding – Basic and diluted		115.50	115.50	115.50

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of cashflows for the year ended December 31, 2021

	Note	US GAAP for the year ended December 31, 2021	Reclassifications and Remeasurements	IFRS for the year ended December 31, 2021
Cash flows from operating activities				
Net income		$ 556,211	$ (39,485)	$ 516,726
Items not affecting cash:				
Depreciation	E	662,322	60,321	722,643
Gain on disposal of assets		(147,228)	-	(147,228)
Deferred income taxes	C	(42,000)	(33,000)	(75,000)
Government assistance	G	-	(114,101)	(114,101)
Interest expense	B,E	-	67,816	67,816
Debt forgiveness from Payroll Protection Program loan		(733,376)	-	(733,376)
Changes in non-cash working capital				
Accounts receivable		(1,200,567)	-	(1,200,567)
Contract assets		50,100	-	50,100
Prepaid expenses	H, I	33,352	(90,707)	(57,355)
Accounts payable	I	40,675	150,000	190,675
Accrued payroll and related liabilities	I	54,609	2,500	57,109
Income taxes payable		14,030	-	14,030
Net cash flows used in operating activities		(711,872)	3,344	(708,531)
Cash flows from investing activities				
Proceeds from sale of equipment	H	635,326	88,642	723,968
Capital improvements and purchases of equipment	I	(2,695,897)	2,065	(2,693,832)
Net cash flows used in investing activities		(2,060,571)	90,707	(1,969,864)
Cash flows from financing activities				
Dividends paid	I	-	(2,500)	(2,500)
Borrowings on long-term debt		1,455,642	-	1,455,642
Repayments of long-term debt	I	(670,462)	1	(670,463)
Proceeds from line of credit		92,000	-	92,000
Lease liability payments	E	-	(91,550)	(91,550)
Proceeds from Payroll Protection Program loan		733,376	-	733,376
Net cash flows provided by financing activities		1,610,556	(94,051)	1,516,505
Change in cash		$ (1,161,887)	$ -	$ (1,161,887)
Cash				
Beginning of year		$ 1,295,360	$ -	$ 1,295,360
End of year		$ 133,473	$ -	$ 133,473
Supplemental cash flow disclosure				
Interest paid		$ 134,885	$ -	$ 134,885

Taxes paid	$ 1,500	$ -	$ 1,500

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Reconciliation of cashflows for the year ended December 31, 2022

	Note	US GAAP for the year ended December 31, 2022	Reclassifications and Remeasurements	IFRS for the year ended December 31, 2022
Cash flows from operating activities				
Net loss		$ (691,691)	$ 387,264	$ (304,427)
Items not affecting cash:				
Depreciation	E, G	884,290	66,819	951,109
Gain on disposal of assets	G	(141,800)	(122,389)	(264,189)
Deferred income taxes	C	(178,000)	105,000	(73,000)
Government assistance	B		(362,438)	(362,438)
Interest expense	B,E	-	132,729	132,729
Changes in non-cash working capital				
Accounts receivable		(1,588,670)	-	(1,588,670)
Contract assets		174,487	-	174,487
Prepaid expenses		30,878	-	30,878
Accounts payable		1,255,923	(150,000)	1,105,923
Accrued payroll and related liabilities		(114,550)	-	(114,550)
Income taxes payable		(14,030)	-	(14,030)
Net cash flows used in operating activities		(383,163)	56,985	(326,178)
Cash flows from investing activities				
Proceeds from sale of equipment		141,800	-	141,800
Proceeds from sale of land	G	-	148,097	148,097
Capital improvements and purchases of equipment	I	(2,884,721)	(103,683)	(2,988,404)
Net cash flows used in investing activities		(2,742,921)	44,414	(2,698,507)
Cash flows from financing activities				
Borrowings on long-term debt		2,961,578	-	2,961,578
Repayments of long-term debt	I	(1,039,258)	1	(1,039,257)
Proceeds from line of credit		1,163,966	-	1,163,966
Lease liability payments	E	-	(101,400)	(101,400)
Net cash flows provided by financing activities		3,086,286	(101,399)	2,984,887
Change in cash		$ (39,798)	$ -	$ (39,798)
Cash				
Beginning of year		$ 133,473	$ -	$ 133,473
End of year		$ 93,675	$ -	$ 93,675
Supplemental cash flow disclosure				
Interest paid		$ 230,540	$ -	$ 230,540
Taxes paid		$ 30,320	$ -	$ 30,320

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

Notes to the reconciliation of financial position as at January 1, 2021, December 31, 2021 and December 31, 2022 and net income (loss) and comprehensive income (loss) results for the years ended December 31, 2021 and 2022.

A) Contract Assets

Under US GAAP, unbilled amounts resulting from work-in-progress that had not yet been invoiced at year end were presented as unbilled receivables. Upon transition to IFRS, an adjustment in the amount of $224,587 and $174,487 was made to present these balances as contract assets as at January 1, 2021 and December 31, 2021, respectively.

B) U.S. Economic Injury Disaster Loan

Long-term debt includes a loan from the U.S. Small Business Administration (the "SBA loan") which bears interest at 3.75% per annum. Under US GAAP, the SBA loan was recognized and measured based on the terms of the agreement. Upon adoption of IFRS, the Company chose to retrospectively apply the requirements in IFRS 9 and IAS 20 to the SBA loan. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 7%. As such, a $43,982 adjustment to decrease long-term debt was made to recognize government assistance and associated accretion expenses in connection with the loan bearing a below market rate of interest.

For the year ended December 31, 2022, long-term debt decreased by $424,443 (2021 –$131,038 decrease), and interest expense increased by $80,320 (2021 - $15,758 increase) pursuant to accounting for the SBA loan as a below market rate loan in accordance with IFRS 9. The Company also recognized government assistance of $362,438 (2021 - $114,101) in other income in connection with the loan.

C) Deferred Income Taxes

Upon adoption of IFRS, the Company re-assessed the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. As a result of the SBA loan being recognized at fair value under IFRS, a $305,000 adjustment was made to increase deferred income taxes as at January 1, 2021.

For the year ended December 31, 2022, deferred income taxes increased by $377,000 (2021 - $272,000 increase) and income tax recovery decreased by $105,000 (2021 - $33,000 increase).

D) Share Capital

Under US GAAP, additional paid in capital was presented separately from common stock. Upon transition to IFRS, an adjustment in the amount of $64,866 was made to present additional paid in capital and common stock as part of share capital as at January 1, 2021, December 31, 2021 and December 31, 2022.

E) Right-Of-Use Asset and Lease Liability

Under US GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

During the year ended December 31, 2021, the Company entered into a lease agreement for an office space. Under US GAAP, the operating lease liability was measured using a risk-free discount rate of 0.83%. Upon adoption of IFRS, the Company measured its lease liability at the present value of the outstanding lease payments, discounted using the Company's incremental borrowing rate of 12% and recorded amortization and interest expense separately. The right-of-use asset was measured at the amount equal to the lease liability and is no longer classified as an operating lease.

As a result of the lease adjustments, the Company initially recognized lease liabilities and right-of-use assets of $500,210 and $500,210 respectively. For the year ended December 31, 2022, the operating lease right-of-use asset in the amount of $553,045 (2021 - $649,421) was eliminated and the IFRS right-of-use asset increased by $373,071 (2021 - $439,889

increase). Operating lease obligations in the amount of $553,045 (2021 - $649,421) were also eliminated and the Company's IFRS lease liability increased by $411,727 (2021 - $460,718 increase). For the year ended December 31, 2022, depreciation

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS (continued)

increased by $66,818 (2021 - $60,321), interest expense increased by $52,409 (2021 - $52,058) and selling, general and administrative expense decreased by $101,402 (2021 - $91,550) in connection with the lease adjustment. For the year ended December 31, 2022 cash payments made on the lease liability in the amount of $101,400 (2021-91,550) have been adjusted to be reflected in the statement of cash flows.

F) Cost of Revenues

Under US GAAP, cost of revenues was presented under costs and expenses. Upon transition to IFRS, cost of revenues was presented as a deduction in determining gross profit. For the year ended December 31, 2022, gross profit was $1,957,641 (2021 - $1,655,001) after deducting cost of revenues of $18,895,522 (2021 - $8,606,341) from revenue. The adjustment had no impact on net income (loss) and comprehensive income (loss) for the years ended December 31, 2022 and 2021.

G) Gains on Disposals of Assets

Under US GAAP, gain on disposal of assets was presented under costs and expenses. Upon transition to IFRS, an adjustment in the amount of $141,800 (2021 - $147,228) was made to present gain on disposal of assets under other income and expenses.

Additionally, unrelated to the IFRS transition, as at December 31, 2022, property and equipment and gain on disposal of assets were determined to be overstated by $25,708. As a result, upon transition to IFRS, an adjustment was made to decrease property and equipment by $25,708 and gain on disposal of assets by $25,708.

Additionally, a $148,097 gain related to the sale of non-operating land was presented in other income under US GAAP. Upon transition to IFRS, an adjustment was made to reclassify this amount to gain on disposal of assets. As a result, other income decreased by $148,097 and gain on disposal of assets increased by $148,097.

H) Proceeds from Sale of Equipment

For the year ended December 31, 2021, proceeds from the disposition of equipment was determined to be $723,968 instead of $635,326 as previously reported. As such, the change in non-cash working capital for prepaid expenses was assessed to be overstated by $88,642 and proceeds from sale of equipment was understated by $88,642. As a result, upon transition to IFRS, an adjustment was made to decrease the change in non-cash working capital for prepaid expenses by $88,642 and increase proceeds from sale of equipment by $88,642.

I) Other

Although not material, numerous adjustments were made to properly reflect transactions that occurred and are not discussed in detail here.

4. PREPAID EXPENSES

	December 31, 2022	December 31, 2021	January 1, 2021
Insurance	$ 6,360	$ 53,155	$ -
Rent	8,450	8,450	3,517
Property taxes	3,244	2,117	2,850
Corporate taxes	14,790	-	-
	$ 32,844	$ 63,722	$ 6,367

5. PROPERTY AND EQUIPMENT

	Machinery and Equipment	Vehicles	Land	Total
Cost				
Balance at January 1, 2021	$ 4,916,725	$ 3,647,295	$ 11,200	$ 8,575,220
Additions	2,080,373	613,459	-	2,693,832
Disposals	(1,245,446)	(223,503)	(347)	(1,469,296)
Balance at December 31, 2021	$ 5,751,652	$ 4,037,251	$ 10,853	$ 9,799,756
Additions	1,740,918	1,247,486	-	2,988,404
Disposals	(13,205)	(243,882)	-	(257,087)
Balance at December 31, 2022	$ 7,479,365	$5,040,855	$ 10,853	$ 12,531,073
Accumulated depreciation				
Balance at January 1, 2021	$ 1,787,351	$ 1,793,381	$ -	$ 3,580,732
Depreciation	272,412	389,910	-	662,322
Disposals	(721,118)	(171,438)	-	(892,556)
Balance at December 31, 2021	$ 1,338,645	$ 2,011,853	$ -	$ 3,350,498
Depreciation	389,959	494,332	-	884,291
Disposals	(11,885)	(219,494)	-	(231,379)
Balance at December 31, 2022	$ 1,716,719	$ 2,286,691	$ -	$ 4,003,410
Net book value				
January 1, 2021	$ 3,129,374	$ 1,853,914	$ 11,200	$ 4,994,488
December 31, 2021	$ 4,413,007	$ 2,025,398	$ 10,853	$ 6,449,258
December 31, 2022	$ 5,762,646	$ 2,754,164	$ 10,853	$ 8,527,663

During the year ended December 31, 2022, the Company sold property and equipment with a net book value of $25,708 (2021 - $576,740) for proceeds of $289,897 (2021 - $723,968) and recorded a gain on disposal of assets of $264,189 (2021 - $147,228).

As at January 1, 2021, December 31, 2021 and December 31, 2022 there were no indicators of impairment noted.

6. RIGHT-OF-USE ASSETS

		Office premises
Cost		
Balance at January 1, 2021	$	-
Additions		459,302
Modification		40,908
Balance at December 31, 2021 and 2022	$	500,210
Accumulated depreciation		
Balance at January 1, 2021	$	-
Depreciation		60,321
Balance at December 31, 2021		60,321
Depreciation		66,818
Balance at December 31, 2022	$	127,139
Net book value		
January 1, 2021	$	-
December 31, 2021	$	439,889
December 31, 2022	$	373,071

The Company recognized a right of use asset and corresponding lease liability related to certain office premises as detailed in note 7.

7. LEASE LIABILITY

The Company's lease liability consists of a lease for its office premises which includes an office building, garage and parking areas. The present value of future lease payments was measured using an incremental borrowing rate of 12% per annum. During the year ended December 31, 2021, the monthly payments were increased by $700 to include additional parking spots and the Company recorded a modification to the lease liability and right-of-use asset of $40,908.

		Office premises
Balance at January 1, 2021	$	-
Addition		459,302
Modification		40,908
Interest expenses		52,058
Lease payments		(91,550)
Balance at December 31, 2021		460,718
Interest expenses		52,409
Lease payments		(101,400)
Balance at December 31, 2022	$	411,727

Lease liability		December 31, 2022		December 31, 2021		January 1, 2021
Current portion	$	55,175	$	48,990	$	-
Long-term portion		356,552		411,728		-
Total lease liability	$	411,727	$	460,718	$	-

At December 31, 2022, the Company is committed to minimum lease payments as follows:

Maturity analysis		December 31, 2022
Less than one year	$	101,400
One year to three years		202,800
Three to five years		202,800
More than five years		59,150
Total undiscounted lease liabilities	$	566,150
Amount representing implicit interest		(154,423)
Lease liability	$	411,727

8. LINE OF CREDIT

The Company maintains a line of credit arrangement which authorizes borrowing to a maximum of $2,000,000. Interest is charged at the rate of Wall Street Journal Prime Rate with a floor of 5.0% plus 1.0%. The interest rate was 6% and 8.5% as at December 31, 2022 and December 31, 2021, respectively. Outstanding advances on the line totaled $1,255,966 and $92,000 as at December 31, 2022 and 2021, respectively. The line matures on demand. The line is secured by all business assets of the Company.

9. LONG-TERM DEBT

	Note		December 31, 2022		December 31, 2021		January 1, 2021
U.S. Economic Injury Disaster Loan	(i)	$	1,297,992	$	357,412	$	106,020
Loan from former shareholder	(ii)		549,725		648,937		768,950
Equipment loans	(iii)		2,641,469		1,998,876		1,532,328
Vehicle loans	(iv)		557,214		400,972		312,063
Total		$	5,046,400	$	3,406,197	$	2,719,361
Less current portion			(839,561)		(764,474)		(580,290)
Long-term debt		$	4,206,839	$	2,641,723	$	2,139,071

(i) *U.S. Economic Injury Disaster Loan*

In response to the COVID-19 pandemic, the U.S. Small Business Administration ("SBA") provided loans to qualifying companies. The Company received several advances totaling $1,732,000 under this program:

2020	$150,000
2021	$350,000
2021	$1,232,000

During the year ended December 31, 2020, the Company received a loan for gross proceeds of $150,000 from the SBA. The loan bore interest at 3.75% per annum with monthly payments of $731 beginning 12 months from the date of first advance. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 12%, resulting in government assistance of $48,573 being recognized in other income.

During the year ended December 31, 2021, the Company was advanced an additional $350,000 under this program, bringing total proceeds to $500,000, with monthly payments increasing to $2,495 beginning 24 months from the date of the first advance. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 12%, resulting in government assistance of $114,101 being recognized in other income (note 15).

During the year ended December 31, 2022, the Company was advanced an additional $1,232,000, bringing total proceeds to $1,732,000, with monthly payments increasing to $8,503 beginning 24 months from the date of the first advance. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 12%, resulting in government assistance of $362,438 being recognized in other income (note 15).

(ii) Loan from former shareholder

During the year ended December 31, 2018, $1,014,000 a shareholder loan was set up for treasury stock purchases. The amount owing is to be repaid in 120 monthly payments of $10,000, including interest of 3.44%. The loan is unsecured.

(iii) Equipment loans

The Company entered into $3,663,420 of loans to acquire certain equipment. The loans are repayable over terms of 48 to 60 months and bear interest of 3.99% to 7.00%. Monthly payments are between $577 and $11,344. The loans are secured by the respective equipment being purchased.

9. LONG-TERM DEBT (continued)

(iv) Vehicle loans

The Company entered into $893,549 of loans to acquired certain vehicles. The loans are repayable over terms of 48 to 60 months with interest from 4.75% to 7.59%. Monthly payments are $751 to $7,425. The loans are secured by the respective vehicles being acquired.

10. EQUITY

Authorized shares

The authorized share capital of the Company consists of 1,000 common shares with a $10 par value.

Ordinary shares issued

As at December 31, 2022, 115.50 common shares were issued and outstanding (2021 – 115.50).

No common shares were issued during the years ended December 31, 2022 and 2021.

Treasury shares

As at December 31, 2022, 184.50 common shares were held as treasury shares (2021 – 184.50).

No treasury shares were purchased during the years ended December 31, 2022 and December 31, 2021.

11. 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. The Company has determined that key management personnel consist of the Company's corporate officers.

The remuneration of key management personnel was as follows:

	December 31, 2022	December 31, 2021
Salaries and benefits	$ 382,590	$ 331,555
	$ 382,590	$ 331,555

During January to March 2021, the Company leased space from a partnership owned by an owner and former owner of the Company. During the year ended December 31, 2021, the Company recognized $6,000 in rent expenses included in general and administrative expenses with respect to this lease.

Effective June 25, 2018, the Company redeemed 84.5 shares of common stock owned by a former significant shareholder of the Company and relative of a current officer, for total proceeds of $1,014,000. The note is payable in 120 monthly payments of $10,000, including interest at 3.44% and is unsecured. As at December 31, 2022, $549,725 (2021 - $648,937) was outstanding and included in long-term debt.

12. REVENUE

The Company generates revenue from oilfield services which have been disaggregated by source, as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. All of the Company's revenue is earned in the United States and is recognized over the duration of contracts.

13. COST OF REVENUES

	December 31, 2022	December 31, 2021
Salaries and benefits	$ 7,686,690	$ 3,149,193
Material costs	728,533	1,420,530
Subcontracted labor and materials	3,914,389	758,848
Repairs and maintenance	1,845,127	1,107,434
Travel, lodging and meals	1,627,157	660,579
Equipment rental expense	1,288,516	522,203
Fuel	963,542	506,216
Insurance	467,948	239,824
Shop expenses	178,444	43,399
Licenses and permits	120,652	93,285
Lubes, tools and supplies	69,164	91,774
Property and production taxes	5,360	13,056
	$ 18,895,522	$ 8,606,341

14. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2022	December 31, 2021
Salaries	$ 898,531	$ 711,286
Payroll taxes and benefits	197,331	250,862
Professional fees	152,536	32,565
Office supplies	139,176	55,655
Marketing expense	129,413	82,174
Rent expense	-	6,050
Insurance	52,892	78,741
Utilities and taxes – office	39,877	29,992
Telephone	19,001	36,303
Retirement administration costs	7,326	9,397
Life insurance	6,141	6,110
Other expenses	24,172	24,534
	$ 1,666,396	$ 1,323,669

15. OTHER INCOME

	December 31, 2022	December 31, 2021
Debt forgiveness from Payroll Protection Program loan	$ -	$ 733,376
Government assistance (Note 9)	362,438	114,101
Miscellaneous	20,581	56,562
	$ 383,019	$ 904,039

The Company received $733,376 in proceeds through a Payroll Protection Program loan pursuant to the CARES Act. The loan bore interest at a rate of 1%, was unsecured and has a term of two years following the date of issuance. Payments of principal and interest on the loan were deferred for a period of six months. The loan was eligible for forgiveness if the loan proceeds were used to cover payroll costs, including benefits, rent and utilities for a period of eight or 24 weeks after receipt. The forgiveness amount was to be reduced if the Company does not maintain staffing or payroll levels.

During the year ended December 31, 2021, the Company met the forgiveness criteria as government assistance and recognized $733,376 as a gain on extinguishment of the Payroll Protection Program loan.

16. FINANCE EXPENSES

		December 31, 2022		December 31, 2021
Interest on line of credit and long-term debt (note 8 & 9)	$	230,542	$	134,844
Accretion of SBA (note 9)		52,409		52,058
Accretion of lease liabilities (note 7)		80,320		15,758
	$	363,271	$	202,700

17. FAIR VALUE DETERMINATON OF FINACIAL LIABILITIES

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying value of the Company's cash, accounts receivable, contract assets, accounts payable and accrued liabilities and income tax payable approximate their fair value due to their short terms to maturity.

The carrying value of the line of credit approximates its fair value as it bears a floating market rate.

The carrying value of debt where interest is charged at a fixed rate as the borrowing rates have not changed materially from when the debt was entered into.

The fair value of lease obligation approximates its carrying value as the Company's incremental borrowing rate has not changed materially from when the lease was originally entered into.

18. FINANCIAL RISK MANAGEMENT

The Board of Directors has the overall responsibility for the establishment and oversight and execution of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor those risks.

18. FINANCIAL RISK MANAGEMENT (continued)

The Company's activities expose it to a variety of financial risks as follows:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. There were no changes to the Company's risk management policies or processes during the year ended December 31, 2022 or 2021.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash in the amount of $93,675 (2021 - $133,473) and trade accounts receivable in the amount of $3,425,652 (2021 - $1,836,982). The Company manages credit risk pertaining to its cash balances by ensuring funds are kept at reputable financial institutions. Credit risk pertaining to accounts receivable is mitigated through active management and monitoring of customer receivable balances. The Company also carefully evaluates the creditworthiness of customers prior to conducting business with them and monitors its exposure to credit losses with existing customers. Accounts receivable are shown net of any provision made for impairment of the receivables. The Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

The Company's aging of trade receivables is as follows:

		December 31, 2022		December 31, 2021
0 – 30 days	$	1,853,212	$	874,927
31 – 60 days		802,351		961,055
61 – 90 days		588,336		-
Over 90 days		181,753		1,000
	$	3,425,652	$	1,836,982

During the year ended December 31, 2022, the Company identified significantly overdue trade accounts receivable with one customer. The Company directly wrote off $2,738 (2021 - $nil) in accounts receivable to bad debt expense. No provision for doubtful accounts for expected credit losses was recorded during the years ended December 31, 2022 and 2021. All customer balances in accounts receivable as at December 31, 2022 and 2021 were expected to be collected.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Funding shortfalls have historically been managed through funds received from ongoing operations and long-term debt. There can be no assurance of continued access to financing.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2022:

	Within one year	Between one and five years	More than five years
Accounts payable and accrued liabilities	$ 1,409,761	$ -	$ -
Line of credit	1,255,966	-	-
Long-term debt	1,184,476	3,265,696	2,344,316
Lease liabilities	101,400	464,750	-
	$ 3,951,603	$ 3,730,446	$ 2,344,316

Market risk

Market risks relate to the Company's exposure to losses arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and other relevant market rate or price changes. The Company is exposed to the following market risks:

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As of December 31, 2022 and 2021, the Company is not subject to foreign currency risk.

Interest rate risk

Interest rate risk pertains to the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its line of credit as it bears interest at a floating rate. As at December 31, 2022, an increase in interest rates by 1% would affect comprehensive income by approximately $13,000 (2021 - $1,000).

19. CAPITAL MANAGEMENT

The Company defines capital as shareholders' equity in the amount of $3,272,051 (2021- $3,576,478). The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt.

There were no changes to the Company's approach to capital management during the years ended December 31, 2022 and December 31, 2021.

20. CONCENTRATIONS

Major customers are defined as customers that each individually account for greater than 10% of the Company's annual revenues. As at December 31, 2022, the Company had receivables from four major customers (2021 – four major customers) that accounted for approximately 70% (2021 – 86%) of receivables. For the year ended December 31, 2022, the Company had revenue from three major customers (2021 – three major customers) that accounted for approximately 53% (2021 - 61%) of revenue.

21. SEGMENTED INFORMATION

The Company has one operating segment, being the provider of oilfield services for onshore natural gas exploration and production.

22. INCOME TAXES

The reconciliation of the US federal income tax rate of 28%:

		December 31, 2022		December 31, 2021
Income (loss) before income taxes	$	(375,927)	$	457,256
Expected income tax expense (recovery)		(105,000)		128,000
Permanent differences		3,000		(205,000)
Other difference		29,000		2,000
Deferred taxes		(73,000)		(75,000)
Current state taxes		1,500		15,530
Income tax expense (recovery)	$	(71,500)	$	(59,470)

The significant components and sources of timing differences comprising deferred tax expense are as follows:

	December 31, 2022	December 31, 2021
Property and equipment	(58,000)	260,000
Contract assets	(50,000)	(9,000)
Net operating losses	(51,000)	(355,000)
U.S. Economic Injury Disaster Loan	80,000	26,500
Other	6,000	2,500
	(73,000)	(75,000)

The following table summarizes the components of deferred tax:

	December 31, 2022	December 31, 2021
Deferred tax assets (liabilities)		
Contract assets	-	(50,000)
Property and equipment	(1,394,000)	(1,451,000)
Other	-	6,000
U.S. Economic Injury Disaster Loan	(106,000)	(27,000)
Net operating losses	443,000	392,000
Net deferred tax liabilities	(1,057,000)	(1,130,000)

As at December 31, 2022, the Company has US net operating losses of approximately $2,000,000 that that is carried forward indefinitely but subject to offsetting 80% of taxable income.

23. SUBSEQUENT EVENTS

On February 24, 2023, a significant shareholder of the Company entered into a share purchase agreement with Zefiro Methane Holding LLC ("Zefiro"). Under this agreement, Zefiro will acquire 75% of the issued and outstanding shares of the Company in exchange for $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is repayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with the Company is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

23. SUBSEQUENT EVENTS (continued)

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with the Company is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of the Company less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of the Company. The acquisition closed on May 12, 2023.

On May 12, 2023, a significant shareholder of the Company entered into an option and purchase agreement with Zefiro. Under this agreement, Zefiro has the option to purchase a further 5% interest in the Company until May 12, 2024. The purchase price for the additional shares of the Company starts at $355,000 and increases to $420,000 at the end of the option exercise period.

On May 11, 2023 the Company obtained a $1,000,000 loan from Zefiro. The loan accrues interest at a rate 8% per year that is payable monthly. The loan is unsecured and is due on the maturity date of June 1, 2025. The loan can be repaid at any time without penalty.

On June 24, 2023 the borrowing limit on the line of credit (note 8) was increased from $2,000,000 to $3,000,000.

On October 10, 2023 the borrowing limit on the line of credit (note 8) was increased from $3,000,000 to $4,000,000.

APPENDIX 6 – P&G'S UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED MARCH 31, 2023

PLANTS AND GOODWIN, INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in US dollars)

PLANTS AND GOODWIN, INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in US dollars)
As at

	Note		March 31, 2023 (Unaudited)		December 31, 2022 (Audited)
ASSETS					
Current					
Cash		$	262,517	$	93,675
Accounts receivable	18		4,557,403		3,425,652
Prepaid expenses	4		145,533		32,844
Total current assets			4,965,453		3,552,171
Non-current					
Property and equipment	5		8,332,613		8,527,663
Right-of-use asset	6		356,366		373,071
Total assets		$	13,654,432	$	12,452,905
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable		$	867,382	$	1,301,083
Accrued payroll and related liabilities			96,239		108,678
Income taxes payable	21		25,000		-
Line of credit	8		1,999,188		1,255,966
Current portion of long-term debt	9		826,435		839,561
Lease liability	7		56,838		55,175
Total current liabilities			3,871,082		3,560,463
Non-current					
Long-term debt	9		4,029,425		4,206,839
Lease liability	7		341,705		356,552
Deferred income taxes	21		1,284,000		1,057,000
Total liabilities			9,526,212		9,180,854
SHAREHOLDERS' EQUITY					
Share capital	10		64,866		64,866
Treasury shares	10		(1,102,066)		(1,102,066)
Retained earnings			5,165,420		4,309,251
Total shareholders' equity			4,128,220		3,272,051
Total liabilities and shareholders' equity		$	13,654,432	$	12,452,905

Nature of operations (Note 1)
Subsequent events (Note 22)

Approved by the Board of Directors

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

PLANTS AND GOODWIN, INC.
CONDENSED INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Expressed in US dollars)
(Unaudited)
For the three months ended March 31,

	Note		2023		2022
Revenues					
Service rig	12	$	5,973,946	$	2,745,359
Cementing	12		473,508		617,242
Transportation	12		199,509		332,639
Hauling and construction	12		8,687		141,247
			6,655,650		3,836,487
Cost of revenues	13		4,586,302		2,963,669
Gross profit			2,069,348		872,818
Costs and expenses					
Selling, general and administrative expenses	14		593,090		356,026
Depreciation	5,6		237,778		227,777
			830,868		583,803
Operating income			1,238,480		289,015
Other income (expenses)					
Finance expenses	16		(162,460)		(71,558)
Gain on disposal of assets	5		-		2,800
Other income	15		32,149		367,815
			(130,311)		299,057
Income before income taxes			1,108,169		588,072
Income tax recovery (expense)	21		(252,000)		(215,000)
Net income and comprehensive income		$	856,169	$	373,072
Earnings per share – Basic and diluted		$	7,413	$	3,230
Weighted average number of common shares outstanding – Basic and diluted			115.50		115.50

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

PLANTS AND GOODWIN, INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in US dollars)
(Unaudited)

	Number of issued shares		Amount		Treasury stock		Retained earnings		Total
Balance, December 31, 2021	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,613,678**	**$**	**3,576,478**
Net Income and Comprehensive income	-		-		-		373,072		373,072
Balance, March 31, 2022	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,986,750**	**$**	**3,949,550**
Balance, December 31, 2022	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**4,309,251**	**$**	**3,272,051**
Net Income and Comprehensive income	-		-		-		856,169		856,169
Balance, March 31, 2023	**115.5**	**$**	**64,866**	**$**	**(1,102,066)**	**$**	**5,165,420**	**$**	**4,128,220**

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

PLANTS AND GOODWIN, INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in US dollars)
(Unaudited)
For the three months ended March 31,

		2023		2022
Cash flows from operating activities				
Net income	$	856,169	$	373,072
Items not affecting cash:				
Depreciation		237,778		227,777
Deferred income taxes		227,000		140,000
Gain on disposal of assets		-		(2,800)
Interest expense		39,109		38,720
Government assistance		-		(362,438)
Changes in non-cash working capital				
Accounts receivable		(1,131,751)		(530,559)
Contract assets		-		174,487
Prepaid expenses		(112,689)		(60,223)
Accounts payable		(433,701)		229,446
Accrued payroll and related liabilities		(12,439)		(215,560)
Income taxes payable		25,000		60,594
Net cash flows used in operating activities		(305,524)		72,516
Cash flows from investing activities				
Proceeds from sale of equipment		-		2,800
Capital improvements and purchases of equipment		(26,023)		(758,453)
Net cash flows used in investing activities		(26,023)		(755,653)
Cash flows from financing activities				
Borrowings on long-term debt		-		1,742,250
Repayments of long-term debt		(217,483)		(364,017)
Proceeds from line of credit		743,222		-
Repayment of line of credit		-		(92,000)
Lease liability payments		(25,350)		(25,350)
Net cash flows provided by financing activities		500,389		1,260,883
Change in cash	$	168,842	$	577,746
Cash				
Beginning of year	$	93,675	$	133,473
End of year	$	262,517	$	711,219
Supplemental cash flow disclosure				
Interest paid	$	123,666	$	32,837
Taxes paid	$	1,613	$	375

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

1. NATURE OF OPERATIONS

Plants & Goodwin, Inc. (the "Company") is a provider of a range of turnkey solutions to plug orphaned oil and gas wells. Founded in 1970, the Company is a long-standing leader in plugging orphaned wells in shale and sandstone formations across the Appalachian Basin. The Company was incorporated in the state of Pennsylvania in January 1994. The Company's head office and registered records office is located at 360 High Street, Bradford, PA 16701.

These financial statements were approved and authorized for issuance by the Board of Directors on ●, 2023.

2. BASIS OF PRESENTATION

Basis of presentation and statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended December 31, 2022.

These condensed interim financial statements have been prepared on a historical cost basis except as otherwise stated and allowed for in accordance with IFRS.

The condensed interim financial statements are expressed in U.S. dollars, which is the functional currency of the Company. The accounting policies have been applied consistently to all periods presented in these condensed interim financial statements, unless otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND USE OF ESTIMATES AND JUDGMENTS

The significant policies applied in the preparation of these condensed interim financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited financial statements for the year ended December 31, 2022.

Critical accounting estimates and significant management judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

In preparing these condensed interim financial statements, the significant estimates and critical judgements were the same as those applied to the annual financial statements as at and for the year ended December 31, 2022.

4. PREPAID EXPENSES

	March 31, 2023	December 31, 2022
Insurance	$ 116,292	$ 6,360
Rent	11,207	8,450
Property taxes	3,244	3,244
Corporate taxes	14,790	14,790
	$ 145,533	$ 32,844

5. PROPERTY AND EQUIPMENT

	Machinery and Equipment	Vehicles	Land	Total
Cost				
Balance at December 31, 2021	$ 5,751,652	$ 4,037,251	$ 10,853	$ 9,799,756
Additions	1,740,918	1,247,486	-	2,988,404
Disposals	(13,205)	(243,882)	-	(257,087)
Balance at December 31, 2022	$ 7,479,365	$ 5,040,855	$ 10,853	$ 12,531,073
Additions	26,023	-	-	26,023
Balance at March 31, 2023	$ 7,505,388	$ 5,040,855	$ 10,853	$ 12,557,096
Accumulated depreciation				
Balance at December 31, 2021	$ 1,338,645	$ 2,011,853	$ -	$ 3,350,498
Depreciation	389,959	494,332	-	884,291
Disposals	(11,885)	(219,494)	-	(231,379)
Balance at December 31, 2022	$ 1,716,719	$ 2,286,691	$ -	$ 4,003,410
Depreciation	97,490	123,583	-	221,073
Balance at March 31, 2023	$ 1,814,209	$ 2,410,274	$ -	$ 4,224,483
Net book value				
December 31, 2022	$ 5,762,646	$ 2,754,164	$ 10,853	$ 8,527,663
March 31, 2023	$ 5,691,179	$ 2,630,581	$ 10,853	$ 8,332,613

During the three months ended March 31, 2022, the Company sold property and equipment with a net book value of $nil for proceeds of $2,800 and recorded a gain on disposal of assets of $2,800.

As at March 31, 2023, December 31, 2022 and March 31, 2022 there were no indicators of impairment noted.

6. RIGHT-OF-USE ASSETS

	Office premises
Cost	
Balance at December 31, 2022 and March 31, 2023	$ 500,210
Accumulated depreciation	
Balance at December 31, 2021	$ 60,321
Depreciation	66,818
Balance at December 31, 2022	127,139
Depreciation	16,705
Balance at March 31, 2023	$ 143,844
Net book value	
December 31, 2022	$ 373,071
March 31, 2023	$ 356,366

7. LEASE LIABILITY

The Company's lease liability consists of a lease for its office premises which includes an office building, garage and parking areas. The present value of future lease payments was measured using an incremental borrowing rate of 12% per annum.

		Office premises
Balance at December 31, 2021	$	460,718
Interest expenses		52,409
Lease payments		(101,400)
Balance at December 31, 2022		411,727
Interest expenses		12,166
Lease payments		(25,350)
Balance at March 31, 2023	$	398,543

Lease liability		March 31, 2023		December 31, 2022
Current portion	$	56,838	$	55,175
Long-term portion		341,705		356,552
Total lease liability	$	398,543	$	411,727

At March 31, 2023, the Company is committed to minimum lease payments as follows:

Maturity analysis		March 31, 2023
Less than one year	$	101,400
One year to three years		202,800
Three to five years		202,800
More than five years		33,800
Total undiscounted lease liabilities	$	540,800
Amount representing implicit interest		(142,257)
Lease liability	$	398,543

8. LINE OF CREDIT

The Company maintains a line of credit arrangement which authorizes borrowing to a maximum of $2,000,000. Interest is charged at the rate of Wall Street Journal Prime Rate with a floor of 5.0% plus 1.0%. The interest rate was 8.75% and 8.5% as at March 31, 2023 and December 31, 2022, respectively. Outstanding advances on the line totaled $1,999,188 and $1,255,966 at March 31, 2023 and December 31, 2022, respectively. The line matures on demand. The line is secured by all business assets of the Company.

9. LONG-TERM DEBT

	Note		March 31, 2023		December 31, 2022
U.S. Economic Industry Disaster Loan	(i)	$	1,317,450	$	1,297,992
Loan from former shareholder	(ii)		526,539		549,725
Equipment loans	(iii)		2,500,233		2,641,469
Vehicle loans	(iv)		511,638		557,214
Total		$	4,855,860	$	5,046,400
Less current portion			(826,435)		(839,561)
Long-term debt		$	4,029,425	$	4,206,839

9. LONG-TERM DEBT (continued)

(i) *U.S. Economic Industry Disaster Loan*

In response to the COVID-19 pandemic, the U.S. Small Business Administration ("SBA") provided loans to qualifying companies. The Company received several advances totaling $1,732,000 under this program:

2020	$150,000
2021	$350,000
2021	$1,232,000

During the year ended December 31, 2020, the Company received a loan for gross proceeds of $150,000 from the SBA. The loan bore interest at 3.75% per annum with monthly payments of $731 beginning 12 months from the date of first advance. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 12%, resulting in government assistance of $48,573 being recognized in other income.

During the year ended December 31, 2021, the Company was advanced an additional $350,000 under this program, bringing total proceeds to $500,000, with monthly payments increasing to $2,495 beginning 24 months from the date of the first advance. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 12%, resulting in government assistance of $114,101 being recognized in other income.

During the year ended December 31, 2022, the Company was approved to receive an additional $1,232,000, bringing total proceeds to $1,732,000, with monthly payments increasing to $8,503 beginning 24 months from the date of the first advance. The loan was recognized at fair value using the Company's estimated incremental borrowing rate of 12%, resulting in government assistance of $362,438 being recognized in other income (note 15).

(ii) Loan from former shareholder

During the year ended December 31, 2018 $1,014,000 in loan proceeds were received from a former shareholder for treasury stock purchases. The amount owing is to be repaid in 120 monthly payments of $10,000, including interest of 3.44%. The loan is unsecured.

(iii) Equipment loans

The Company entered into $3,663,420 of loan proceeds pursuant to acquiring equipment. The loans are repayable over terms of 48 to 60 months and bear interest of 3.99% to 7.00%. Monthly payments are between $577 and $11,344. The loans are secured by the respective equipment being purchased.

(iv) Vehicle loans

The Company entered into $893,549 of loan proceeds were received in connection with acquiring vehicles. The loans are repayable over terms of 48 to 60 months with interest from 4.75% to 7.59%. Monthly payments are $751 to $7,425. The loans are secured by the respective vehicles being acquired.

10. EQUITY

Authorized shares

The authorized share capital of the Company consists of 1,000 common shares with a $10 par value.

Ordinary shares issued

As at March 31, 2023, 115.50 common shares were issued and outstanding (December 31, 2022 – 115.50).

No common shares were issued during the three months ended March 31, 2023 and 2022.

10. EQUITY (continued)

Treasury shares

As at March 31, 2023, 184.50 common shares were held as treasury shares (December 31, 2022 – 184.50).

No treasury shares were purchased during the three months ended March 31, 2023 and 2022.

11. 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. The Company has determined that key management personnel consist of the Company's corporate officers.

The remuneration of key management personnel was as follows:

	March 31, 2023	March 31, 2022
Salaries and benefits	$ 107,833	$ 88,877
	$ 107,833	$ 88,877

Effective June 25, 2018, the Company redeemed 84.5 shares of common stock owned by a former significant shareholder of the Company and relative of a current officer, for total proceeds of $1,014,000. The note is payable in 120 monthly payments of $10,000, including interest at 3.44% and is unsecured. As at March 31, 2023, $526,539 (December 31, 2022 - $549,725) was outstanding and included in long-term debt.

12. REVENUE

The Company generates revenue from oilfield services which have been disaggregated by source, as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. All of the Company's revenue is earned in the United States and is recognized over the duration of contracts.

13. COST OF REVENUES

	March 31, 2023	March 31, 2022
Salaries and benefits	$ 1,870,018	$ 1,315,582
Material costs	230,904	298,423
Subcontracted labor and materials	1,084,425	377,015
Repairs and maintenance	244,829	234,694
Travel, lodging and meals	341,276	229,413
Equipment rental expense	245,443	131,585
Fuel	258,396	170,825
Insurance	257,422	142,238
Shop expenses	32,547	17,282
Licenses and permits	12,675	23,412
Lubes, tools and supplies	7,208	18,888
Property and production taxes	1,159	4,312
	$ 4,586,302	$ 2,963,669

14. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2023	March 31, 2022
Salaries	$ 268,678	$ 129,396
Payroll taxes and benefits	161,851	141,545
Professional fees	30,367	11,650
Office supplies	23,706	12,045
Marketing expense	21,673	21,033
Insurance	64,065	12,844
Utilities and taxes – office	14,723	13,360
Telephone	5,434	4,207
Retirement administration costs	-	5,123
Life insurance	-	2,797
Other expenses	2,593	2,026
	$ 593,090	$ 356,026

15. OTHER INCOME

	March 31, 2023	March 31, 2022
Government assistance (Note 9)	$ -	$ 362,438
Miscellaneous	32,149	5,377
	$ 32,149	$ 367,815

16. FINANCE EXPENSES

	March 31, 2023	March 31, 2022
Interest on line of credit and long-term debt (note 8 & 9)	$ 123,351	$ 32,837
Accretion of SBA (note 9)	26,943	25,078
Accretion of lease liabilities (note 7)	12,166	13,643
	$ 162,460	$ 71,558

17. FAIR VALUE DETERMINATION OF FINANCIAL LIABILITIES

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

17. FAIR VALUE DETERMINATION OF FINANCIAL LIABILITIES (Continued)

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying value of the Company's cash, accounts receivable, contract assets, accounts payable and accrued liabilities and income tax payable approximate their fair value due to their short terms to maturity.

The carrying value of the line of credit approximates its fair value as it bears a floating market rate.

The carrying value of debt where interest is charged at a fixed rate as the borrowing rates have not changed materially from when the debt was entered into.

The fair value of lease obligation approximates its carrying value as the Company's incremental borrowing rate has not changed materially from when the lease was originally entered into.

18. FINANCIAL RISK MANAGEMENT

The Board of Directors has the overall responsibility for the establishment and oversight and execution of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor those risks.

The Company's activities expose it to a variety of financial risks as follows:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. There were no changes to the Company's risk management policies or processes during the period ended March 31, 2023 or March 31, 2022

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

18. FINANCIAL RISK MANAGEMENT (continued)

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash in the amount of $262,450 (December 31, 2022 - $93,675) and trade accounts receivable in the amount of $4,557,403 (December 31, 2022 - $3,425,652. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and trade accounts receivable. The Company manages credit risk pertaining to its cash balances by ensuring funds are kept at reputable financial institutions. Credit risk pertaining to accounts receivable is mitigated through active management and monitoring of customer receivable balances. The Company also carefully evaluates the creditworthiness of customers prior to conducting business with them and monitors its exposure to credit losses with existing customers. Accounts receivable are shown net of any provision made for impairment of the receivables. The Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

The Company's aging of trade receivables is as follows:

		March 31, 2023		December 31, 2022
0 – 30 days	$	2,234,307	$	1,853,212
31 – 60 days		1,936,688		802,351
61 – 90 days		386,408		588,336
Over 90 days		-		181,753
	$	4,557,403	$	3,425,652

No provision for doubtful accounts for expected credit losses was recorded during the three months ended March 31, 2023 and 2022. All customer balances in accounts receivable as at March 31, 2023 and December 31, 2022 were expected to be collected.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Funding shortfalls have historically been managed through funds received from ongoing operations and long-term debt. There can be no assurance of continued access to financing.

		Within one year		Between one and five years		More than five years
Accounts payable and accrued liabilities	$	963,621	$	-	$	-
Income taxes payable		25,000				
Line of credit		1,999,188		-		-
Long-term debt		1,160,237		3,047,221		2,290,730
Lease liabilities		101,400		439,400		-
	$	4,158,186	$	3,486,621	$	2,290,730

Market risk

Market risks relate to the Company's exposure to losses arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and other relevant market rate or price changes. The Company is exposed to the following market risks:

18. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As of March 31, 2023 and December 31, 2022, the Company is not subject to foreign currency risk.

Interest rate risk

Interest rate risk pertains to the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its line of credit as it bears interest at a floating rate. As at March 31, 2023, an increase in interest rates by 1% would affect comprehensive income by approximately $20,000 (December 31, 2022 - $13,000).

Capital Management

The Company defines capital as shareholders' equity in the amount of $4,128,220 (December 31, 2022- $3,272,051). The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt.

There were no changes to the Company's approach to capital management during the periods ended March 31, 2023 and March 31, 2022.

19. CONCENTRATIONS

Major customers are defined as customers that each individually account for greater than 10% of the Company's annual revenues. As at March 31, 2023, the Company had receivables from four major customers (December 31, 2022 – four major customers) that accounted for approximately 82% (December 31, 2022 – 70%) of receivables. For the three months ended March 31, 2023, the Company had revenue from four major customers (December 31, 2022 – three major customers) that accounted for approximately 79% (December 31, 2022 - 53%) of revenue.

20. SEGMENTED INFORMATION

The Company has one operating segment, being the provider of oilfield services for onshore natural gas exploration and production.

21. INCOME TAXES

The Company calculated the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. During the three months ended March 31, 2023, the Company recognized a deferred income tax expense of $227,000 (2022 - $140,000) and current income tax expense of $25,000 (2022 - $75,000). As at March 31, 2023, the Company had recognized a deferred income tax liability of $1,284,000 (2022 - $1,057,000) and current taxes payable of $25,000 (2022 - $Nil).

22. SUBSEQUENT EVENTS

On February 24, 2023, a significant shareholder of the Company entered into a share purchase agreement with Zefiro Methane Holding LLC ("Zefiro"). Under this agreement, Zefiro will acquire 75% of the issued and outstanding shares of the Company in exchange for $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is repayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with the Company is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with the Company is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of the Company less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of the Company. The acquisition closed on May 12, 2023.

On May 12, 2023, a significant shareholder of the Company entered into an option and purchase agreement with Zefiro. Under this agreement, Zefiro has the option to purchase a further 5% interest in the Company until May 12, 2024. The purchase price for the additional shares of the Company starts at $355,000 and increases to $420,000 at the end of the option exercise period.

On May 11, 2023 the Company obtained a $1,000,000 loan from Zefiro. The loan accrues interest at a rate 8% per year that is payable monthly. The loan is unsecured and is due on the maturity date of June 1, 2025. The loan can be repaid at any time without penalty.

On June 24, 2023 the borrowing limit on the line of credit (note 8) was increased from $2,000,000 to $3,000,000.

On October 10, 2023 the borrowing limit on the line of credit (note 8) was increased from $3,000,000 to $4,000,000.

APPENDIX 7 – THE COMPANY'S ANNUAL MD&A FOR THE YEAR ENDED JUNE 30, 2023

ZEFIRO METHANE CORP.
(formerly Caden Capital Corp.)
(also referred to as "Zefiro", the "Corporation", or the "Company")

Management's Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2023 and the period from incorporation on September 9, 2021 to June 30, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following discussion analysis are quoted in United States dollars unless otherwise noted.

Date

This management's discussion and analysis ("MD&A") is dated November 3, 2023 and is in respect of the year ended June 30, 2023. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" or similar expressions. These statements represent management's best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

Zefiro Methane Corp. (formerly Caden Capital Corp.) ("Zefiro" or the "Company"), is a company incorporated on March 7, 2018 under the Business Corporations Act (British Columbia). The Company's name changed from Caden Capital Corp. to Zefiro Methane Corp. on September 28, 2022. The registered records and head office of the Company is located at 2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

On September 28, 2022, the Company completed a reverse takeover with Zefiro Methane Operations Corp., a corporation incorporated under the provisions of the Business Corporations Act (British Columbia) on September 9, 2021. Pursuant to the reverse takeover, the Company changed its name to "Zefiro Methane Corp."

On May 12, 2023, the Company acquired 75% of Plants and Goodwin, Inc.'s ("P&G") issued and outstanding shares. The purpose of the acquisition was to expand the Company's oil and gas well abatement services into Pennsylvania's Appalachians and add multi-generational project expertise in some of America's most

difficult terrains.

The principal business of the Company is providing remedial services to the oil and gas industry. The Company assists stakeholders on plugging end-of-life orphaned and abandoned oil and gas wells that currently or potentially emit methane, a harmful greenhouse gas (GHG) emission and a potent climate-warming gas.

Reverse Takeover Transaction

On September 28, 2022, the Company closed a reverse takeover transaction with Zefiro Methane Operations Corp. Pursuant to this qualifying transaction, the Company issued: (i) to each holder of Zefiro Methane Operations Corp. shares, one share of the Company for every share held, for an aggregate of 41,000,000 common shares; and (ii) to each holder of Zefiro Methane Operations Corp. share purchase warrants, one warrant for every warrant held for a total of 12,000,000 warrants.

Immediately after the completion of the qualifying transaction, on a non-diluted basis, the former holders of Zefiro Methane Operations Corp. shares own 41,000,000 common shares. These shares represent approximately 70% of the voting rights of the Company. The pre-existing shareholders of the Company hold 17,472,000 common shares of the resulting issuer, representing approximately 30% of the total issued and outstanding shares.

P&G Acquisition

On May 12, 2023, the Company successfully completed the acquisition of 75% of the outstanding shares of P&G for purchase price consideration of $3,325,000 in cash and a $2,000,000 promissory note (the "P&G Acquisition"). The promissory note has a principal balance of $2,000,000, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G

Consolidation

The Company's consolidated financial statements include the accounts of the Company and its controlled entity. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement

with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Principal activities	Country of incorporation	Percentage Owned
Zefiro Methane Operations Corp.	Oil and gas remedial services	Canada	100%
Zefiro Methane LLC	Oil and gas remedial services	USA	100%
Zefiro Methane Holding LLC	Holding company	USA	100%
Plants and Goodwin Inc.	Oil and gas remedial services	USA	75%

Selected Annual Financial Information

The following table sets out selected annual financial information for the Company, which has been prepared in accordance with IFRS:

	Year ended June 30, 2023	**Period from incorporation on September 9, 2021 to June 30, 2022**
Revenue	$5,981,996	$Nil
Gross profit	$2,873,949	$Nil
Total operating expenses	($4,370,499)	($129,455)
Net loss and comprehensive loss for the year/period	($1,440,782)	($145,698)
Basic and diluted loss per share for the period	($0.03)	($0.01)
Weighted average number of shares outstanding	54,463,499	10,639,455

As at	**June 30, 2023**	**June 30, 2022**
Cash	$889,974	$955,364
Current assets	$6,884,268	$955,364
Total assets	$22,677,552	$1,020,210
Total liabilities	$11,806,624	$76,584
Total equity	$10,870,928	$943,626

Results of Operations

For the year ended June 30, 2023 and period from incorporation on September 9, 2021 to June 30, 2022

The Company incurred a net loss and comprehensive loss of $1,440,782 (2022 – $145,698). The Company had minimal operating activities during the comparative period and no revenue-generating activities until its acquisition of P&G in fiscal 2023. Gross profit generated from P&G's oil and gas well abatement services amounted to $2,873,949 (2022 - $Nil) for fiscal 2023.

Significant changes in the Company's operating expenses and other income are highlighted below:

- Amortization expense increased to $445,701 (2022 - $Nil) during the year ended June 30, 2023. The increase was due to amortization recorded on the Company's property and equipment, right-of-use

asset and intangible assets that were acquired as part of the P&G Acquisition;

- Consulting and management fees increased to $488,213 (2022 - $8,535) during the year ended June 30, 2023. The increase related mainly to monthly fees incurred with officers of the Company and a significant shareholder of the Company, which started being charged in September 2023;

- General and administrative expenses increased to $809,020 (2022 - $20,903) during the year ended June 30, 2023. The increase was driven mainly by increases in advertising, insurance and travel expenses as the Company ramped up its operations, and due to the acquiring the operations of P&G;

- Professional fees increased to $665,525 (2022 - $46,821) during the year ended June 30, 2023. The increase in professional fees related to legal and accounting fees associated with preparing the Company for its reverse takeover transaction, which took place in fiscal 2023 and the Company's planned exchange listing;

- Salaries and benefits expenses increased to $1,082,841 (2022 - $41,735) during the year ended June 30, 2023. The increase was due to salaries paid to members of upper management of the Company, the majority of whom were hired during fiscal 2023 and to employees of P&G who were acquired as part of the P&G Acquisition;

- Share-based compensation increased to $822,106 (2022 - $6,728) during the year ended June 30, 2023. During the year ended June 30, 2023, 5,586,604 stock options were issued to various officers, directors, consultants, and employees. The increase was due to the underlying vesting terms of share-based compensation arrangements, with longer vesting periods falling in the current fiscal year;

- Gain on bargain purchase of $2,114,454 (2022 - $Nil) in relation to the Company's acquisition of P&G;

- Listing expense of $1,688,099 (2022 - $Nil) recorded on the Reverse Takeover Transaction with Zefiro Methane Operations Corp. which took place during the year.

For the three months ended June 30, 2023 and 2022

The Company earned net income and comprehensive income of $2,310,968 (2022 - net loss and comprehensive loss of $129,563). The Company had minimal operating activities during the comparative period and no revenue-generating activities until its acquisition of P&G in May 2023. Gross profit generated from P&G's oil and gas well abatement services amounted to $2,873,949 (2022 - $Nil) for the three months ended June 30, 2023.

Significant changes in the Company's operating expenses and other income for the three months ended June 30, 2023 are highlighted below:

- Amortization expense increased to $439,966 (2022 - $Nil) during the three months ended June 30, 2023. The increase was due to amortization recorded on the Company's property and equipment, right-of-use asset and intangible assets that were acquired as part of the P&G Acquisition;

- Consulting and management fees of increased to $118,154 (2022 - $8,535) during the three months ended June 30, 2023. The increase related mainly to monthly fees incurred with officers of the Company and a significant shareholder of the Company, which started being charged in September 2022;

- General and administrative expenses increased to $514,270 (2022 - $20,903) during the three months ended June 30, 2023. The increase was driven mainly by increases in advertising, insurance and travel expenses as the Company ramped up its operations, made a greater push towards marketing and also acquired P&G;

- Professional fees increased to $306,603 (2022 - $46,821) during the three months ended June 30, 2023. The increase in professional fees related to legal and accounting fees associated with the Company's planned exchange listing and complex financial transactions, including the P&G Acquisition;

- Salaries and benefits expenses increased to $554,067 (2022 - $41,735) during the three months ended June 30, 2023. The increase was due to salaries paid to members of upper management of the Company, the majority of whom were hired during fiscal 2023 and to employees of P&G who were acquired as part of the P&G Acquisition;

- Share-based compensation increased to $339,778 (2022 - $6,728) during the three months ended June 30, 2023. The increase was due to the underlying vesting terms and fair values recognized during the three months ended June 30, 2023;

- Gain on bargain purchase of $2,114,454 (2022 - $Nil) in relation to the Company's acquisition of P&G;

Summary of Quarterly Results

Three months ended,	**Quarter**		**Total revenue**		**Net income (loss)**		**Basic and diluted earnings (net loss) per share**
June 30, 2023	Q4	$	5,981,996	$	2,249,359	$	0.04
March 31, 2023	Q3	$	-	$	(972,216)	$	(0.02)
December 31, 2022	Q2	$	-	$	(684,177)	$	(0.01)
September 30, 2022	Q1	$	-	$	(2,095,357)	$	(0.05)
June 30, 2022	Q4	$	-	$	(129,563)	$	(0.00)
March 31, 2022	Q3	$	-	$	(98)	$	(0.00)
December 31, 2021	Q2	$	-	$	(206)	$	(0.00)
Period from incorporation September 9, 2021 to September 30, 2021	Q1	$	-	$	(11)	$	(0.00)

The Company earned net income of $2,249,359 during the three months ended June 30, 2023 in comparison to a $972,216 loss during the three months ended March 31, 2023. The increase was mainly due to the Company recording a $2,114,454 gain on bargain purchase related to the P&G Acquisition. During this quarter the Company also began to generate revenues from P&G's operations.

The Company incurred a net loss of $2,095,357 during the three months ended September 30, 2022 in comparison to a $129,563 loss during the three months ended June 30, 2022. The increase in net loss was mainly due to one-time listing expenses of $1,688,099 recorded on the Reverse Takeover Transaction with Zefiro Methane Operations Corp. and consulting fees paid to officers of the Company starting this period.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of an unlimited number of common shares without par value.

The Company securities outstanding as follows:

Security description	**June 30, 2023**	**Date of MD&A**
Common shares	61,257,000	61,257,000
Stock options	5,586,604	6,986,604
Warrants	19,392,500	19,392,500
Fully diluted shares	86,236,104	87,636,104

Share issuances are as follows:

Activities for the year ended June 30, 2023:

Pursuant to the reverse takeover transaction, at the effective time of the merger, the Company acquired all the issued and outstanding shares of Zefiro Methane Operations Corp. through issuing 41,000,000 shares and 12,000,000 share purchase warrants. As the financial statements are a continuance of Zefiro Methane Operation Corp.'s operations, all share numbers, share prices and exercise prices have been adjusted on a retrospective basis to reflect the exchange.

Throughout August 2022, and prior to the completion of the reverse takeover transaction, the Company completed a private placement of 12,000,000 units at a price of CA$0.50 per unit for gross proceeds of CA$6,000,000. Each unit was comprised of one common share and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of $0.57 (CA$0.75) for a period of two years.

On May 29, 2023, the Company completed a non-brokered private placement. The Company issued 2,785,000 units at a price of CA$1.00 per unit for total proceeds of $2,048,223 (CA$2,785,000), with each unit comprised of one common share and one-half of a warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $1.13 (CA$1.50). No value was allocated to the warrants based on the residual method.

During the year ended June 30, 2023, the Company received $47,317 (CA$60,000) in proceeds pertaining to past private placements and $78,860 (CA$100,000) in connection with shares issued under its milestone agreement.

Activities for the year ended June 30, 2022:

On March 29, 2022, the Company completed a private placement of 13,000,000 common shares at a price of CA$0.005 per share for gross proceeds of $51,259 (CA$65,000).

The Company received $220,000 in proceeds pertaining to private placement financing completed subsequent to March 31, 2022.

On April 4, 2022, the Company completed a private placement of 12,000,000 units (each, a "Unit") and 4,000,000 common shares at a price of CA$0.02 for gross proceeds of $252,353 (CA$320,000). Each Unit is comprised of one common share of the Company and one common share purchase warrant, exercisable for an additional common share at an exercise price of $0.08 (CA$0.10) for a period of five years from the date of issuance. No value was allocated to the warrants based on the residual method. As of June 30, 2022, $47,317 (CA$60,000) of these proceeds had not been received. Subsequent to June 30, 2022, $47,317 (CA$60,000) was received.

On April 25, 2022, the Company completed a private placement of 7,000,000 common shares of the Company at a price of CA$0.15 per share for gross proceeds of $828,034 (CA$1,050,000). Share issuance costs of $1,735 were incurred in connection with this private placement.

On June 30, 2022, the Company issued 5,000,000 shares under a milestone agreement at a price of CA$0.02 per share for gross proceeds of $78,860 (CA$100,000). As of June 30, 2022, no proceeds had been received for these shares. Subsequent to June 30, 2022, $78,860 (CA$100,000) was received. The Company shall issue the common shares under milestone agreement upon the Company achieving the following milestones:

1) 1,500,000 shares upon the Company appointing Talal Debs and Katherine Flex to the Board of Directors (achieved March 30, 2022);

2) 1,500,000 shares upon The Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emission Reductions from Plugging Abandoned and Orphaned Oil and Gas Wells receiving approval from the American Carbon Registry (achieved by June 30, 2022); and

3) 2,000,000 shares upon the verification of the first voluntary carbon credit related to abandoned and orphaned oil and gas wells (achieved by June 30, 2022).

Liquidity and Capital Resources

Historically and prospectively, the Company's primary source of liquidity and capital resources has been and will continue to be proceeds from the issuance of shares. Based on our current level of operations and our expected results of operations over the next 12 months, management believes that the Company has sufficient cash and financial resources to meet anticipated liquidity, capital expenditure and working capital needs for the next 12 months. However, this is contingent on the Company's continued ability to raise capital through the issuance of equity.

As at June 30, 2023, the Company had a working capital of $2,444,509 (2022 – $878,780) and cash on hand of $889,974 (2022 - $955,364).

Net cash used in operating activities for the year ended June 30, 2023 was $2,332,556 (2022 - $48,871). The Company continues to generate negative cash flows from operating activities due to not having enough revenues to cover its operating expenses.

Net cash provided by investing activities was $2,877,109 (2022 – cash used in investing activities of $65,933) for the year ended June 30, 2023. This cash inflow was due to the Company acquiring cash as part of its

reverse takeover transaction of $4,129,684 offset by cash paid for the P&G Acquisition of $1,196,623 and purchase of equipment of $55,952. Cash used in investing activities for the 2022 comparative period related entirely to purchases of equipment.

Net cash used in financing activities was $693,678 (2022 – cash provided in financing activities of $1,086,185) for the year ended June 30, 2023 relating to repayments of long-term debt of $2,682,126, repayments of line of credit of $389,000 and lease liability payments of $10,425, offset by proceeds received from the issuance of shares of $2,387,873 (2022 - $1,082,596).

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Other Factors Affecting Liquidity

The Company may also raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, or other agreements. The sale of additional equity could result in additional dilution to the Company's existing shareholders, and financing arrangements may not be available to the Company, or may not be available in sufficient amounts or on acceptable terms.

From time to time, the Company may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions.

The Company can provide no assurance that it will successfully identify additional opportunities or that, if it identifies and pursue existing opportunities, any of them will be consummated.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

The related parties of Zefiro Methane Corp. consist of the following individuals:

- Marcelin O'Neill – Former CEO and Former Director
- Elijah Dumaresq – CFO, Corporate Secretary and Former Director
- 1325118 BC Ltd. – Company related to Elijah Dumaresq
- Curt Hopkins – CEO
- Consilium Ventures Ltd – Company related to Curt Hopkins

- Talal Debs – Chairman and Director
- Tina Reine – Chief Compliance Officer
- Matthew Brooks – Head of Operations
- Jeff Frase – President of Corporate Development
- Catherine Flax – Director
- Daryl Heald – Director
- Jonson Sun – Director
- Thomas O'Neill – Former Director
- X Machina Sustainable Technologies – Significant shareholder
- Stephen Plants – President of P&A Services of P&G
- Luke Plants – CEO of P&G
- Paul Plants – Family member to Stephen Plants and Luke Plants

	Year ended June 30, 2023	Period from September 9, 2021 to June 30, 2022
	$	$
Salaries and benefits		
Talal Debs	98,545	-
Tina Reine	222,107	25,410
Matthew Brooks	188,369	15,177
Jeff Frase	151,332	-
Stephen Plants	33,383	-
Luke Plants	33,383	-
	727,119	40,587
Consulting and management fees		
X Machina Sustainable Technologies	78,413	-
Consilium Ventures Ltd	191,866	-
1325118 B.C. Ltd.	57,876	-
	328,155	-
Rent		
X Machina Sustainable Technologies	5,482	-
	5,482	-
Share-based compensation		
Elijah Dumaresq	20,839	-
Talal Debs	83,357	-
Tina Reine	125,036	-
Matthew Brooks	62,518	-
Jeff Frase	161,050	-
Catherine Flax	29,175	-

Daryl Heald	29,175	-
Jonson Sun	29,175	-
Consilium Ventures Ltd	208,393	-
	748,718	-
	1,809,474	**40,587**

As of June 30, 2023, $Nil (June 30, 2022 - $50,094) in accounts payable and accrued liabilities was owing to X Machina Sustainable Technologies. The balance owing did not bear interest, was unsecured and had no fixed terms of repayment.

As of June 30, 2023, $7,924 (June 30, 2022 - $Nil) in accounts payable and accrued liabilities was owing to 1325118 B.C. Ltd.. The balance owing did not bear interest, was unsecured and had no fixed terms of repayment.

As of June 30, 2023, $17,745 (June 30, 2022 - $Nil) in accounts receivable was owing from X Machina Sustainable Technologies. The balance owed did not bear interest, was unsecured and had no fixed terms of repayment.

As of June 30, 2023, included in long-term debt was a promissory with an outstanding balance of $2,016,030 (June 30, 2022 - $Nil) owing to Stephen Plants. See "*P&G Acquisition*" for details.

As of June 30, 2023, included in long-term debt was a promissory note with an outstanding balance of $499,705 (June 30, 2022 - $Nil) owing to Paul Plants. $1,014,000 in loan proceeds were received from a Paul Plants for treasury stock purchases. The amount owing is to be repaid in 120 monthly payments of $10,000, including interest of 3.44%. The loan is unsecured.

Financial Risks

Fair Value

The Company's financial instruments include cash, accounts receivable, accounts payable, line of credit, long-term debt, lease liability and advances payable. IFRS 7 Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, accounts receivable, accounts payable, line of credit and advances payable approximate their respective fair values due to their short-term nature. The carrying value of debt where interest is charged at a fixed rate is not significantly different from the fair value. Cash is measured at fair value using level 1 inputs.

Risk Management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company's activities expose it to a variety of financial risks. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and trade accounts receivable. The Company manages credit risk pertaining to its cash balances by ensuring funds are kept at reputable financial institutions. Credit risk pertaining to accounts receivable is mitigated through active management and monitoring of customer receivable balances. The Company also carefully evaluates the creditworthiness of customers prior to conducting business with them and monitors its exposure to credit losses with existing customers. Accounts receivable are shown net of any provision made for impairment of the receivables. The Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

The following table provides disclosures about credit risk exposure and expected credit losses on trade receivables as at June 30, 2023:

	0 – 30 days	**31 – 60 days**	**61 – 90 days**	**Over 90 days**	**Total**
Gross carrying amount	5,534,474	149,467	13,433	67,726	5,765,100
Loss allowance	-	-	(13,433)	-	(13,433)
Net	5,534,474	149,467	-	67,726	5,751,667
ECL rate	0%	0%	100%	0%	0%

The Company had no trade receivables as at June 30, 2022.

The Company applies a direct customer analysis approach to measure expected credit losses. The Company assesses the collectability of receivables of each customer on an individual basis using quantitative and qualitative information available to management. The historical loss rates are adjusted to reflect the current and forward-looking information on economic factors affecting the ability of the customers to make regular monthly payments on the receivables.

During the year ended June 30, 2023, the Company identified significantly overdue trade accounts receivable

with one customer. The Company recorded a provision for doubtful accounts of $13,433 (2022 - $Nil) for expected credit losses. All customer balances in accounts receivable as at June 30, 2023 and 2022 were expected to be collected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its accounts and advances payable. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its accounts payable, line of credit and long-term debt. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. Liquidity risk is assessed as high.

Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2023, are as follows:

	Less than 1 year	**1 – 5 years**	**After 5 years**	**Total**
	$	**$**	**$**	**$**
Accounts payable	1,276,217	-	-	1,276,217
Advance payable	3,435	-	-	3,435
Line of credit	2,276,972	-	-	2,276,972
Long-term debt	978,439	4,684,324	387,525	6,050,288
Lease liability	101,400	414,050	-	515,450
	4,636,463	**5,098,374**	**387,525**	**10,122,362**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to this risk through its line of credit. As at June 30, 2023, an increase in interest rates by 1% would affect comprehensive loss by approximately $22,652 (2022 - $Nil).

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in an international environment, some of the Company's financial instruments and

transactions are denominated in currencies other than its functional currencies. The fluctuation in foreign currencies will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. At June 30, 2023, Zefiro Methane Corp. and Zefiro Methane Operations Corp. held net financial liabilities of CA$2,469,164 denominated in US dollars (US$1,863,454). A 10% change in the foreign exchange rate would result in a change in the net income for the period of approximately CA$247,000.

Capital Management

The Company monitors its cash and common shares as capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company's objectives in terms of capital management have not changed during the year ended June 30, 2023.

The Company is not subject to any external capital requirements as of June 30, 2023.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The significant accounting estimates and judgments are set out in Note 4 to the audited consolidated financial statements for the year ended June 30, 2023.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended June 30, 2023.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of this MD&A are listed in Note 3 to the audited consolidated financial statements for year ended June 30, 2023.

Subsequent Events

On July 13, 2023, the Company granted 1,400,000 options to consultants and employees. The options are exercisable at a price of CA$1.00 per share for a period of five years following the date of issuance. The options vest equally on January 13, 2023, April 13, 2025, July 13, 2025 and October 13, 2025.

On September 1, 2023, the spouse of a director of the Company, loaned the Company $1,000,000 under a promissory note (the "Zefiro USA Note"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a of rate 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Company at any time without penalty.

Subsequent to the year ended June 30, 2023, the borrowing limit on the Company's line of credit was increased from $3,000,000 to $4,000,000.

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the year ended June 30, 2023.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the year ended June 30, 2023, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control.

The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

APPENDIX 8 – ZEFIRO METHANE'S MD&A FOR THE PERIOD ENDED JUNE 30, 2022

ZEFIRO METHANE OPERATIONS CORP.
(formerly Zefiro Methane Corp.)
(also referred to as "Zefiro", the "Corporation", or the "Company")

Management's Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the audited consolidated financial statements for the period from incorporation on September 9, 2021, to June 30, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date

This management's discussion and analysis ("MD&A") is dated November 3, 2023 and is in respect for the period from incorporation on September 9, 2021, to June 30, 2022. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" or similar expressions. These statements represent management's best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

Zefiro Methane Operations Corp. ("Zefiro" or the "Company", formerly Zefiro Methane Corp.), is a company incorporated on September 9, 2021 under the Business Corporations Act (British Columbia). The Company's name changed from Eleven Gold Corporation to Nil Carbon Corp. on February 17, 2022, from Nil Carbon Corp. to Zefiro Methane Corp. on March 21, 2022, and from Zefiro Methane Corp. to Zefiro Methane Operations Corp. on September 23, 2022. On May 26, 2022, the Company incorporated Zefiro Methane LLC, a wholly owned subsidiary. The registered records and head office of the Company is located at 2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9. The principal business of the Company is providing remedial services to the oil and gas industry. The Company assists stakeholders on plugging end-of-life orphaned and abandoned oil and gas wells that currently or potentially emit methane, a harmful greenhouse gas (GHG) emission and a potent climate-warming gas.

Consolidation

The Company's consolidated financial statements include the accounts of the Company and its controlled entity. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Principal activities	Country of incorporation	Percentage Owned
Zefiro Methane LLC	Oil and gas remedial services	USA	100%

Selected Annual and Quarterly Financial Information

The following table sets out selected annual financial information for the Company, which has been prepared in accordance with IFRS:

For the period from incorporation on September 9, 2021, to June 30, 2022	**2022**
Total operating expenses	($164,156)
Net loss and comprehensive loss for the period	($164,693)
Basic and diluted loss per share for the period	($0.02)
Weighted average number outstanding	10,639,455

As at	**June 30, 2022**
Cash	1,231,773
Current assets	1,231,773
Total assets	1,315,380
Total liabilities	98,741
Total equity	1,216,639

Results of Operations – For the period from incorporation on September 9, 2021, to June 30, 2022

The Company incurred a comprehensive loss of $164,693, which was mostly driven by professional fees incurred during the period. These fees related to legal fees incurred in connection with financing completed by the Company during 2022. The Company also incurred salary and benefit expenses in relation to hiring a Chief Compliance Officer and a Head of Operations. This is the Company's first year of operations and as such there is no historical financial information available to discuss for comparison purposes.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of an unlimited number of common shares without par value.

As at June 30, 2022, there were 41,000,000 common shares issued and outstanding. Details of the common shares are as follows:

Activities for the period from incorporation on September 9, 2021, to June 30, 2022:

On March 29, 2022, the Company completed a private placement of 13,000,000 common shares of the Company at a price of $0.005 per share for gross proceeds of $65,000.

On April 4, 2022, the Company completed a private placement of 12,000,000 units (each, a "Unit") and 4,000,000 common shares at a price of $0.02 for gross proceeds of $320,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant, exercisable for an additional common share at an exercise price of $0.10 for a period of five years from the date of issuance. No value was allocated to the warrants based on the residual method. As of June 30, 2022, $60,000 of these proceeds had not been received. Subsequent to June 30, 2022, $30,000 was received.

On April 25, 2022, the Company completed a private placement of 7,000,000 common shares of the Company at a price of $0.15 per share for gross proceeds of $1,050,000. Share issuance costs of $2,200 were incurred in connection with this private placement.

On June 30, 2022, the Company issued 5,000,000 shares under a milestone agreement with X Machina Sustainable Technologies at a price of $0.02 per share for gross proceeds of $100,000. As of June 30, 2022, no proceeds had been received for these shares. Subsequent to June 30, 2022, $100,000 was received. The Company shall issue the common shares under milestone agreement upon the Company achieving the following milestones:

1) 1,500,000 shares upon the Company appointing Talal Debs and Catherine Flax to the Board of Directors (achieved March 30, 2022);

2) 1,500,000 shares upon The Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emission Reductions from Plugging Abandoned and Orphaned Oil and Gas Wells receiving approval from the American Carbon Registry (achieved by June 30, 2022); and

3) 2,000,000 shares upon the verification of the first voluntary carbon credit related to abandoned and orphaned oil and gas wells (achieved by June 30, 2022).

Liquidity and Capital Resources

Historically and prospectively, the Company's primary source of liquidity and capital resources has been and will continue to be proceeds from the issuance of shares. Based on our current level of operations and our expected results of operations over the next 12 months, we believe that cash generated from future operations and cash on hand and anticipated future capital raises, will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. However, we cannot be certain that our business will be able to raise capital through the issuance of equity to continue operations.

As at June 30, 2022, the Company had a working capital surplus of $1,133,032 and cash on hand of $1,231,773.

Net cash used in operating activities for the period from incorporation on September 9, 2021 to June 30, 2022, was $61,971 largely due to the net loss incurred during the period. The Company continues to generate net losses and negative cash flows from operating activities due to not having revenues to cover its operating expenses.

Net cash used in investing activities was $83,607 from incorporation on September 9, 2021 to June 30, 2022. This cash outflow was due to the Company acquiring methane detection equipment.

Net cash from financing activities was $1,377,351. These cash inflows were due to proceeds received from the issuance of shares.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Other Factors Affecting Liquidity

The Company may also raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, or other agreements. The sale of additional equity could result in additional dilution to the Company's existing shareholders, and financing arrangements may not be available to the Company, or may not be available in sufficient amounts or on acceptable terms.

From time to time, the Company may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions.

The Company can provide no assurance that it will successfully identify additional opportunities or that, if it identifies and pursue existing opportunities, any of them will be consummated.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Related parties consist of the following individuals:

- Elijah Dumaresq – CFO, Corporate Secretary and Director
- Curt Hopkins – CEO and Director
- Talal Debs – Chairman, President and Director
- Tina Reine – Chief Compliance Officer
- Matthew Brooks – Head of Operations
- Joel Dumaresq - Director
- Catherine Flax – Director
- Daryl Heald – Director
- Jonson Sun – Director
- X Machina Sustainable Technologies – Significant shareholder

During the period ended June 30, 2022, $33,133 in salary and benefit expenses were incurred with Tina Reine. Another $19,789 in salary and benefit expenses were incurred with Matthew Brooks.

During the period ended June 30, 2022, the Company entered into a milestone agreement with a significant shareholder. Under the milestone agreement, the Company issued 5,000,000 shares for total proceeds of $100,000 in exchange for various services. See Note 7 of the audited consolidated financial statements for more details pertaining to this arrangement.

As of June 30, 2022, $64,587 in accounts payable and accrued liabilities was owing to X Machina Sustainable Technologies. This balance owing did not bear interest, was unsecured and had no fixed terms of repayment.

Financial Risks

Fair Value

The Company's consolidated financial instruments include cash, accounts payable and accrued liabilities, and advances payable. IFRS 7 Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, accounts payable and advances payable approximate their respective fair values due to their short-term nature. Cash is measured at fair value using level 1 inputs.

Risk Management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company's activities expose it to a variety of financial risks. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. Credit risk is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its accounts payable. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2022, are as follows:

	Less than 1 year	**1 – 5 years**	**After 5 years**	**TOTAL**
	$	$	$	$
Accounts payable	5,250	-	-	5,250
Advances payable	4,551	-	-	4,551
	9,801	-	-	9,801

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also manages its liquidity risk through the financial support of its shareholders and key management personnel. Liquidity risk is assessed as high.

Capital Management

The Company monitors its cash and common shares as capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company is not subject to any external capital requirements as at June 30, 2022.

Critical Accounting Estimates and Judgments

This MD&A is based on the consolidated financial statements which have been prepared in accordance with IFRS. The preparation of consolidated financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) Going Concern

Management's assessment that the Company's will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

ii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Critical Accounting Estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

i) Share-based payments

The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the period from incorporation on September 9, 2021, to June 30, 2022.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of this MD&A are listed in Note 3 to the audited consolidated financial statements for the period from incorporation on September 9, 2021, to June 30, 2022.

Subsequent Events

On September 16, 2022, the Company entered into a share exchange agreement with Zefiro Methane Corp. (formerly Caden Capital Corp.), ("Caden"), whereby Caden will acquire all of the issued and outstanding common shares and warrants of the Company in exchange for the issuance of 41,000,000 common shares ("Consideration Shares") and 12,000,000 warrants ("Consideration Warrants") to Zefiro securityholders. Each Consideration Warrant will be exercisable into one common share of Caden on the same terms as such Zefiro warrants were exercisable.

On September 28, 2022, Caden instituted a formal stock option plan. Under the plan, the maximum number of common shares that will be available for issuance is 20% of the issued and outstanding common shares as at the approval date of September 28, 2022. The maximum number of common shares for which awards may be issued to related persons in any 12-month period shall not exceed 10% of the outstanding common shares unless disinterested shareholder approval is obtained, or 5% of the outstanding common shares in the case of a grant of awards to any one related person of Caden.

In conjunction with the institution of Caden's option plan, 5,040,356 fully vested options are to be granted to directors, officers and consultants upon completion of an initial public offering of Caden's common shares. The options are exercisable at a price of $0.50 and expire five years following the date of issuance.

On January 27, 2023, the Company incorporated Zefiro Methane Holding LLC, a wholly owned US subsidiary.

On February 24, 2023, Caden entered into a share purchase agreement with a majority shareholder of Plants and Goodwin Inc. ("P&G"). Under this agreement, Caden will acquire 75% of the issued and outstanding shares of P&G in exchange for $3,325,000 USD in cash and a $2,000,000 USD promissory note. The promissory note has a principal balance of $2,000,000 USD, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 USD if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000 USD. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 USD plus $5,700,000 USD less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G. The acquisition of P&G closed on May 12, 2023.

Additionally, on May 12, 2023, Caden entered into an option and purchase agreement with one of the significant shareholders of P&G. Under this agreement, the Company has the option to purchase a further 5% interest in P&G until May 12, 2024. The purchase price for the additional shares of P&G starts at $355,000 USD and increases to $420,000 USD at the end of the option exercise period.

On May 29, 2023, Caden completed a non-brokered private placement. Caden issued 2,785,000 units at a price of $1.00 per unit for total proceeds of $2,785,000, with each unit comprised of one common share and

one-half of a warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $1.50.

On July 13, 2023, Caden granted 1,400,000 options to consultants and employees. The options are exercisable at a price of $1.00 per share for a period of five years following the date of issuance. The options vest equally on January 13, 2025, April 13, 2025, July 13, 2025 and October 13, 2025.

As part of the acquisition of P&G, the Company loaned US$1,000,000 to P&G to repay a portion of a Small Business Administration loan that P&G had outstanding. The loan accrues interest at a rate of 8% per year that is payable monthly. The balance of the loan is due on the maturity date of June 1, 2025. P&G is permitted to make prepayment of the loan at its discretion.

On September 1, 2023, the spouse of a director of the Company, loaned the Company US$1,000,000 under a promissory note (the "Zefiro USA Note"). Pursuant to the terms of the Zefiro USA Note, the loan bears interest at a rate of 15% per annum and has a term of 18 months. The loan is unsecured and may be repaid by Company at any time without penalty.

Subsequent to June 30, 2023, the borrowing limit on P&G's line of credit from increased from $3,000,000 to $4,000,000.

Additional Disclosure for Venture Issuers Without Significant Revenue

During the year ended June 30, 2022, the Company incurred the following general and administrative expenses pursuant to ongoing business operations:

For the period from incorporation on September 9, 2021, to June 30, 2022	**2022**
	$
Travel and entertainment	19,504
Total general and administrative expenses	19,504

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures for the period from incorporation on September 9, 2021, to June 30, 2022.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting for the period from incorporation on September 9, 2021, to June 30, 2022, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

APPENDIX 9 – P&G'S ANNUAL MD&A FOR THE YEAR ENDED DECEMBER 31, 2022

PLANTS & GOODWIN, INC.

(also referred to as "Plants and Goodwin", "P&G", the "Corporation", or the "Company")

Management's Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the audited financial statements for the year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following discussion analysis are quoted in US dollars unless otherwise noted.

Date

This management's discussion and analysis ("MD&A") is dated November 3, 2023 and is in respect of the year ended December 31, 2022. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51-102F1.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" or similar expressions. These statements represent management's best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

Plants & Goodwin, Inc. ("P&G" or the "Company"), was incorporated in Pennsylvania on December 23, 1993. The registered records and head office of the Company is located at 360 High Street, Bradford, Pennsylvania, 16701. The Company is a provider of turnkey solutions to plug onshore oil and gas wells across the Appalachian Basin. Founded in 1970, the Company is a long-standing leader in decommissioning both conventional legacy wells and unconventional shale wells.

On May 12, 2023, 75% of the Company's issued and outstanding shares were acquired by Zefiro Methane Holding LLC. ("Zefiro"). The purpose of the acquisition was to expand Zefiro's oil and gas well abatement services into Pennsylvania's Appalachians and add multi-generational project expertise in some of America's most difficult terrains.

On May 12, 2023, a significant shareholder of the Company entered into an option and purchase agreement with Zefiro. Under this agreement, Zefiro has the option to purchase a further 5% interest in the Company until May 12, 2024. The purchase price for the additional shares of the Company starts at $355,000 and increases to $420,000 at the end of the option exercise period.

Selected Annual Financial Information

The following table sets out selected annual financial information for the Company, which has been prepared in accordance with IFRS:

For the year ended December 31,	2022	2021
Revenues	$20,853,163	$10,261,342
Gross profit	$1,957,641	$1,655,001
Total operating expenses	$2,617,505	$2,046,312
Net income (loss) for the period	($304,427)	$516,726
Basic and diluted earnings (loss) per share	($2,636)	$4,474
Weighted average number of shares outstanding	115.50	115.50

As at	December 31, 2022	December 31, 2021
Cash	$93,675	$133,473
Current assets	$3,552,171	$2,208,664
Total assets	$12,452,905	$9,097,811
Current liabilities	$3,560,463	$1,337,882
Total liabilities	$9,180,854	$5,521,333
Total equity	$3,272,051	$3,576,478

Results of Operations

For the year ended December 31, 2022 and 2021

The Company incurred a net loss of $304,427 (2021 – net income of $516,726). The 2022 loss was primarily driven by a significant increase in costs of revenue due to inflationary pressures associated with servicing the Company's various revenue sources. An increase in general and administrative expenses, along with a decline in other income from Payroll Protection Programs, also contributed to the Company's 2022 loss.

During the year ended December 31, 2022, service rig revenue earned was $15,946,753 (2021 - $6,880,402). The increase was primarily attributable to the acquisition of two 600-series service rig packages increasing the Company's capacity to meet new demand for shale gas services by 33%. Additionally, the Company was awarded a large Marcellus plug & abandonment contract in 2022 from a new customer. This contract resulted in the third largest single source of revenue for the Company in 2022.

During 2022, cementing revenue earned was $2,831,837 (2021 - $1,987,524). The increase was primarily attributable to stronger demand for cementing services on new well development.

The Company earned transportation revenue of $1,570,919 (2021 - $1,035,354) during the year ended December 31, 2022. The increase was primarily attributable to the increase in service rig activity. Transportation services generate over 90% of their revenue from the Company's service rig needs.

During the year ended December 31, 2022, the Company earned hauling and construction revenues of $503,654 (2021 - $358,062). The increase was primarily driven by a large orphaned well plugging project completed during 2022 in Muskingum County, OH. In 2021, the Company failed to win any orphan well contracts due to depressed market prices in the abandonment industry. Construction revenues will continue

to be heavily linked to the scale of orphan well plugging projects going forward.

During the year ended December 31, 2022, cost of revenues incurred was $18,895,522 (2021 - $8,606,341). This increase was primarily caused by significantly higher direct labour costs associated with supporting the Company's increased service activity during 2022.

General and administrative expenses incurred during the year ended December 31, 2022 were $1,666,396 (2021 - $1,323,669). The increase was a result of a rise in salaries, retirement plans, and insurance costs to align with the growing number of employees and operations.

Depreciation expenses rose to $951,109 (2021 - $722,643) during the year ended December 31, 2022. This increase was due to additional depreciation being taken on capital improvements and equipment acquired by the Company throughout 2022.

For the three months ended December 31, 2022 and 2021

The Company incurred a net loss of $378,843 (2021 – net income of $951,300). The 2022 loss was primarily driven by a significant increase in costs of revenue associated with servicing the Company's various revenue sources. An increase in general and administrative expenses, along with a decline in other income from Payroll Protection Programs, also contributed to the Company's 2022 loss.

During the three months ended December 31, 2022, service rig revenue earned was $4,213,870 (2021 - $2,256,396). The increase was primarily attributable to the acquisition of two 600-series service rig packages increasing the Company's capacity to meet new demand for shale gas services by 33%. Additionally, the Company was awarded a large Marcellus plug & abandonment contract in 2022 from a new customer. This contract resulted in the third largest single source of revenue for the Company in 2022.

During the three months ended December 31, 2022, cementing revenue earned was $1,010,132 (2021 - $648,559). The increase was primarily attributable to stronger demand for cementing services on new well development.

The Company earned transportation revenue of $565,760 (2021 - $300,779) during the three months ended December 31, 2022. The increase was primarily attributable to the increase in service rig activity. Transportation services generate over 90% of their revenue from the Company's service rig needs.

During the three months ended December 31, 2022, the Company earned hauling and construction revenues of $59,211 (2021 - $120,308). The decrease in revenue was driven by discontinuing oil hauling operations in November 2022.

During the three months ended December 31, 2022, cost of revenues incurred was $5,008,346 (2021 - $2,434,200). This increase was primarily caused by significantly higher direct labour costs associated with supporting the Company's increased service activity during 2022 in addition to general inflationary pressure experienced throughout the US economy.

General and administrative expenses incurred during the three months ended December 31, 2022 were $1,182,629 (2021 - $577,872). The increase was a result of a rise in salaries, retirement plans, and insurance

costs to align with the growing number of employees and operations.

Depreciation expenses rose to $314,718 (2021 - $243,134) during the three months ended December 31, 2022. This increase was due to additional depreciation being taken on capital improvements and equipment acquired by the Company throughout 2022.

Disclosure of Outstanding Share Data

As at the date of this document and at December 31, 2022, there were 115.5 common shares issued and outstanding. There was no share activity during the years ended December 31, 2022 and 2021. As at the date of this document and at December 31, 2022, there were no warrants or options outstanding.

Liquidity and Capital Resources

Historically and prospectively, the Company's primary source of liquidity and capital resources has been and will continue to be revenue earned from operations. Based on our current level of operations and our expected results of operations over the next 12 months, we believe that cash generated from future operations, cash on hand and anticipated future capital raises, will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. However, we cannot be certain that our business will be able to raise capital through the issuance of equity to continue operations.

As at December 31, 2022, the Company had a working capital deficit of $8,292 (2021 – working capital surplus of $870,782) and cash on hand of $93,675 (2022 - $133,473).

Net cash used in operating activities for the year ended December 31, 2022 was $326,178 (2021 - $708,528) largely due to the net loss incurred during the period. A $388,103 decline in the collection of accounts receivables also served to increase cash outflows in 2022. These operating cash outflows were offset by the Company cutting accounts payable payments by $1,215,248.

Net cash used for investing activities was $2,698,507 (2021 - $1,969,864) for the year ended December 31, 2022. This cash outflow was due to the Company purchasing equipment and making capital improvements.

Net cash provided by financing activities was $2,984,887 (2021 - $1,516,505) for the year ended December 31, 2022. These cash inflows were due to borrowings of long-term debt and proceeds from a line of credit to fund operations and make capital purchases. During the 2021 comparative period, the Company also received proceeds from government Payroll Protection Program loans.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Other Factors Affecting Liquidity

The Company may also raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, or other agreements. The sale of additional equity could result in additional dilution to the Company's existing shareholders, and financing arrangements may not be available to the Company, or may not be available in sufficient amounts or on acceptable terms.

From time to time, the Company may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of investment in or ownership of additional

businesses through direct investments, acquisitions, joint venture arrangements and other transactions.

During 2023, a majority shareholder of the Company entered into a share purchase agreement with Zefiro Methane Holding LLC ("Zefiro"). Under this agreement, Zefiro will acquire 75% of the issued and outstanding shares of the Company in exchange for $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default.

The Company can provide no assurance that it will successfully identify additional opportunities or that, if it identifies and pursue existing opportunities, any of them will be consummated.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

The related parties of the Company consist of the following:

- Stephen Plants, President
- Luke Plants, Chief Operating Officer
- Paul Plants, former significant shareholder
- Plants & Goodwin, Partnership formed by Paul Plants and Stephen Plants

The remuneration of key management personnel was as follows:

		Year ended December 31, 2022		**Year ended December 31, 2021**
Salaries and benefits				
Stephen Plants, President	$	243,738	$	208,450
Luke Plants, Chief Operating Officer		138,852		123,105
	$	382,590	$	331,555

During January to March 2021, the Company leased space from Plants & Goodwin. During the year ended December 31, 2021, the Company recognized $6,000 in rent expense included in general and administrative expenses with respect to this lease.

Effective June 25, 2018, the Company redeemed 84.5 shares of common stock owned by Paul Plants for total proceeds of $1,014,000. The note is payable in 120 monthly payments of $10,000, including interest at 3.44% and is unsecured. As at December 31, 2022, $549,725 (2021 - $648,937) was outstanding and included in long-term debt.

Financial Risks

Fair Value

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying value of the Company's cash, accounts receivable, contract assets, accounts payable and accrued liabilities and income tax payable approximate their fair value due to their short terms to maturity.

The carrying value of the line of credit approximates its fair value as it bears a floating market rate.

The carrying value of debt where interest is charged at a fixed rate as the borrowing rates have not changed materially from when the debt was entered into.

The fair value of lease obligation approximates its carrying value as the Company's incremental borrowing rate has not changed materially from when the lease was originally entered into.

Risk Management

The Board of Directors has the overall responsibility for the establishment and oversight and execution of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor those risks.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash in the amount of $93,675 (December 31, 2021 - $133,473) and trade accounts receivable in the amount of $3,425,652 (December 31, 2021 - $1,836,982). Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and trade accounts receivable. The Company manages credit

risk pertaining to its cash balances by ensuring funds are kept at reputable financial institutions. Credit risk pertaining to accounts receivable is mitigated through active management and monitoring of customer receivable balances. The Company also carefully evaluates the creditworthiness of customers prior to conducting business with them and monitors its exposure to credit losses with existing customers. Accounts receivable are shown net of any provision made for impairment of the receivables. The Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

The Company's aging of trade receivables is as follows:

		December 31, 2022		**December 31, 2021**
0 – 30 days	$	1,853,212	$	874,927
31 – 60 days		802,351		961,055
61 – 90 days		588,336		-
Over 90 days		181,753		1,000
	$	3,425,652	$	1,836,982

During the year ended December 31, 2022, the Company identified significantly overdue trade accounts receivable with one customer. The Company directly wrote off $2,738 (2021 - $nil) in accounts receivable to bad debt expense. No provision for doubtful accounts for expected credit losses was recorded during the years ended December 31, 2022 and 2021. All customer balances in accounts receivable as at December 31, 2022 and 2021 were expected to be collected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Funding shortfalls have historically been managed through funds received from ongoing operations and long-term debt. There can be no assurance of continued access to financing.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2022:

	Less than 1 year	**1 – 5 years**	**After 5 years**
	$	$	$
Accounts payable and accrued liabilities	1,409,761	-	-
Line of credit	1,255,966	-	-
Long-term debt	1,184,476	3,265,696	2,344,316
Lease obligations	101,400	464,750	-
	3,951,603	**3,730,446**	**2,344,316**

Market Risk

Market risks relate to the Company's exposure to losses arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and other relevant market rate or price changes. The Company is exposed to the following market risks:

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As of December 31, 2022 and 2021, the Company is not subject to foreign currency risk.

Interest Rate Risk

Interest rate risk pertains to the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its line of credit as it bears interest at a floating rate. As at December 31, 2022, an increase in interest rates by 1% would affect comprehensive income by approximately $13,000 (December 31, 2021- $1,000).

Capital Management

The Company defines capital as shareholders' equity in the amount of $3,272,051 (December 31, 2021 - $3,576,478). The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt.

The Company's objectives in terms of capital management have not changed during the years ended December 31, 2022 and 2021.

The Company is not subject to any external capital requirements as of December 31, 2022.

Critical Accounting Estimates and Judgments

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Company's significant estimates and judgments are set out in Note 3 to the financial statements for the year ended December 31, 2022.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 3 to the financial statements for the year ended December 31, 2022.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of this MD&A are listed in Note 3 to the financial statements for the year ended December 31, 2022.

Subsequent Events

On February 24, 2023, a majority shareholder of the Company entered into a share purchase agreement with Zefiro Methane Holding LLC ("Zefiro"). Under this agreement, Zefiro will acquire 75% of the issued and outstanding shares of the Company in exchange for $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G. The acquisition of P&G closed on May 12, 2023.

On May 12, 2023, a significant shareholder of the Company entered into an option and purchase agreement with Zefiro. Under this agreement, Zefiro has the option to purchase a further 5% interest in the Company until May 12, 2024. The purchase price for the additional shares of the Company starts at $355,000 and increases to $420,000 at the end of the option exercise period.

On May 11, 2023, the Company obtained a $1,000,000 loan from Zefiro. The loan accrues interest at a rate of 8% per year that is payable monthly. The loan is unsecured and is due on the maturity date of June 1, 2025. The loan can be repaid at any time without penalty.

On June 24, 2023, the maximum that may be borrowed under the Company's line of credit was increased from $2,000,000 to $3,000,000.

Subsequent to June 30, 2023, the maximum that may be borrowed under the Company's line of credit was increased from $3,000,000 to $4,000,000.

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the year ended December 31, 2022.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

APPENDIX 10 – P&G’S INTERIM MD&A FOR THE 3 MONTHS ENDED MARCH 31, 2023

PLANTS & GOODWIN, INC.

(also referred to as "Plants and Goodwin", "P&G", the "Corporation", or the "Company")

Management's Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the unaudited condensed interim financial statements for the three months ended March 31, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following discussion analysis are quoted in US dollars unless otherwise noted.

Date

This management's discussion and analysis ("MD&A") is dated November 3, 2023 and is in respect of the three months ended March 31, 2023. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" or similar expressions. These statements represent management's best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

Plants & Goodwin, Inc. ("P&G" or the "Company"), was incorporated in Pennsylvania on December 23, 1993. The registered records and head office of the Company is located at 360 High Street, Bradford, Pennsylvania, 16701. The Company is a provider of turnkey solutions to plug onshore oil and gas wells across the Appalachian Basin. Founded in 1970, the Company is a long-standing leader in decommissioning both conventional legacy wells and unconventional shale wells.

On May 12, 2023, 75% of the Company's issued and outstanding shares were acquired by Zefiro Methane Holding LLC. ("Zefiro"). The purpose of the acquisition was to expand Zefiro's oil and gas well abatement services into Pennsylvania's Appalachians and add multi-generational project expertise in some of America's most difficult terrains.

On May 12, 2023, a significant shareholder of the Company entered into an option and purchase agreement with Zefiro. Under this agreement, Zefiro has the option to purchase a further 5% interest in the Company until May 12, 2024. The purchase price for the additional shares of the Company starts at $355,000 and increases to $420,000 at the end of the option exercise period.

Selected Financial Information

The following table sets out selected annual financial information for the Company, which has been prepared in accordance with IFRS:

For the three months ended March 31,	**2023**	**2022**
Revenues	$6,655,650	$3,836,487
Gross profit	$2,069,348	$872,818
Total operating expenses	$830,868	$583,803
Net income for the period	$856,169	$373,072
Basic and diluted earnings per share	$7,413	$3,230
Weighted average number of shares outstanding	115.50	115.50

As at	**March 31, 2023**	**December 31, 2022**
Cash	$262,517	$93,675
Current assets	$4,965,453	$3,552,171
Total assets	$13,654,432	$12,452,905
Current liabilities	$3,871,082	$3,560,463
Total liabilities	$9,526,212	$9,180,854
Total equity	$4,128,220	$3,272,051

Results of Operations

For the three months ended March 31, 2023 and 2022

The Company had net income of $856,169 (2022 – $373,072). The higher 2023 income was primarily driven by the acquisition of additional service rig equipment to increase service rig revenue. Lower depreciation expenses during the three months ended March 31, 2023 also served to increase net income in relation to the 2022 comparative period.

During the three months ended March 31, 2023, service rig revenue earned was $5,973,946 (2022 - $2,745,359). The increase was primarily attributable to the acquisition of two 600-series service rig packages increasing the Company's capacity to meet new demand for shale gas services by 33%.

During the three months ended March 31, 2023, cementing revenue earned was $473,508 (2022 - $617,242). The decrease was primarily attributable to weaker demand for cementing services on new well development.

The Company earned transportation revenue of $199,509 (2022 - $332,639) during the three months ended March 31, 2023. The decrease was primarily attributable to a decrease in service rig activity over the comparative three-month period. Transportation services generate over 90% of their revenue from the Company's service rig needs.

During the three months ended March 31, 2023, the Company earned hauling and construction revenues of $8,687 (2022 - $141,247). The decrease in revenue was driven by discontinuing oil hauling operations in November 2022.

During the three months ended March 31, 2023, cost of revenues incurred was $4,586,302 (2022 -

$2,983,669). This increase was primarily caused by significantly higher direct labour costs associated with supporting the Company's increased service activity during 2023.

General and administrative expenses incurred during the three months ended March 31, 2023 were $593,090 (2022 - $356,026). The increase was a result of a rise in salaries, retirement plans, and insurance costs to align with the growing number of employees and operations.

Depreciation expenses decreased to $237,778 (2022 - $227,777) during the three months ended March 31, 2023. This decrease was due to less depreciation being taken on capital improvements and equipment that had either been disposed of or fully depreciated by the Company in 2022.

Disclosure of Outstanding Share Data

As at the date of this document and at March 31, 2023, there were 115.5 common shares issued and outstanding. There was no share activity during the three months ended March 31, 2023 and 2022. As at the date of this document and at March 31, 2023, there were no warrants or options outstanding.

Liquidity and Capital Resources

Historically and prospectively, the Company's primary source of liquidity and capital resources has been and will continue to be revenue earned from operations. Based on our current level of operations and our expected results of operations over the next 12 months, we believe that cash generated from future operations, cash on hand and anticipated future capital raises, will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. However, we cannot be certain that our business will be able to raise capital through the issuance of equity to continue operations.

As at March 31, 2023, the Company had working capital of $1,094,371 (December 31, 2022 – working capital deficit of $8,292) and cash on hand of $262,517 (December 31, 2022 - $93,675).

Net cash used in operating activities for the year ended March 31, 2023 was $305,524 (2022 – net cash provided by operating activities of $72,516). A $601,192 decline in the collection of accounts receivable served to increase cash outflows in 2023. A $52,466 and $663,147 increase in the payment of prepaid expenses and accounts payables respectively also served to increase cash outflows in the 2023.

Net cash used for investing activities was $26,023 (2022 - $755,653) for the three months ended March 31, 2023. These cash outflows were related to capital improvements and purchases of equipment.

Net cash provided by financing activities was $500,389 (2022 - $1,260,883) for the three months ended March 31, 2023. These cash inflows were due to proceeds from a line of credit offset by repayments of long-term debt and lease liability payments. During the 2022 comparative period, the Company received proceeds from an SBA loan that raised cash inflows.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Other Factors Affecting Liquidity

The Company may also raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, or other agreements. The

sale of additional equity could result in additional dilution to the Company's existing shareholders, and financing arrangements may not be available to the Company, or may not be available in sufficient amounts or on acceptable terms.

From time to time, the Company may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions.

During 2023, a majority shareholder of the Company entered into a share purchase agreement with Zefiro Methane Holding LLC ("Zefiro"). Under this agreement, Zefiro will acquire 75% of the issued and outstanding shares of the Company in exchange for $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default.

The Company can provide no assurance that it will successfully identify additional opportunities or that, if it identifies and pursue existing opportunities, any of them will be consummated.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

The related parties of the Company consist of the following:

- Stephen Plants, President
- Luke Plants, Chief Operating Officer
- Paul Plants, former significant shareholder
- Plants & Goodwin, Partnership formed by Paul Plants and Stephen Plants

The remuneration of key management personnel was as follows:

		Period ended March 31, 2023		Period ended March 31, 2022
Salaries and benefits				
Stephen Plants, President	$	59,935	$	56,638
Luke Plants, Chief Operating Officer		47,898		32,239
	$	107,833	$	88,877

Effective June 25, 2018, the Company redeemed 84.5 shares of common stock owned by Paul Plants for total proceeds of $1,014,000. The note is payable in 120 monthly payments of $10,000, including interest at 3.44% and is unsecured. As at March 31, 2023, $526,539 (December 31, 2022 - $549,725) was outstanding and included in long-term debt.

Financial Risks

Fair Value

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying value of the Company's cash, accounts receivable, contract assets, accounts payable and accrued liabilities and income tax payable approximate their fair value due to their short terms to maturity.

The carrying value of the line of credit approximates its fair value as it bears a floating market rate.

The carrying value of debt where interest is charged at a fixed rate as the borrowing rates have not changed materially from when the debt was entered into.

The fair value of lease obligation approximates its carrying value as the Company's incremental borrowing rate has not changed materially from when the lease was originally entered into.

Risk Management

The Board of Directors has the overall responsibility for the establishment and oversight and execution of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor those risks.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash in the amount of $262,450 (December 31, 2022 - $93,675) and trade accounts receivable in the amount of $4,557,403 (December 31, 2022 - $3,425,652). Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and trade accounts receivable. The Company manages credit risk pertaining to its cash balances by ensuring funds are kept at reputable financial institutions. Credit risk pertaining to accounts receivable is mitigated through active management and monitoring of customer receivable balances. The Company also carefully evaluates the creditworthiness of customers prior to conducting business with them and monitors its exposure to credit losses with existing customers. Accounts receivable are shown net of any provision made for impairment of the receivables. The Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

The Company's aging of trade receivables is as follows:

		March 31, 2023		**December 31, 2022**
0 – 30 days	$	2,234,307	$	1,853,212
31 – 60 days		1,936,688		802,351
61 – 90 days		386,408		588,336
Over 90 days		-		181,753
	$	4,557,403	$	3,425,652

No provision for doubtful accounts for expected credit losses was recorded during the three months ended March 31, 2023 and 2022. All customer balances in accounts receivable as at March 31, 2023 and December 31, 2022 were expected to be collected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Funding shortfalls have historically been managed through funds received from ongoing operations and long-term debt. There can be no assurance of continued access to financing.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at March 31, 2023:

	Less than 1 year	**1 – 5 years**	**After 5 years**
	$	$	$
Accounts payable and accrued liabilities	963,621	-	-
Income taxes payable	25,000	-	-
Line of credit	1,999,188	-	-

Long-term debt	1,160,237	3,047,221	2,290,730
Lease obligations	101,400	439,400	-
	4,158,186	**3,486,621**	**2,290,730**

Market Risk

Market risks relate to the Company's exposure to losses arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and other relevant market rate or price changes. The Company is exposed to the following market risks:

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As of March 31, 2023 and December 31, 2022, the Company is not subject to foreign currency risk.

Interest Rate Risk

Interest rate risk pertains to the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its line of credit as it bears interest at a floating rate. As at March 31, 2023, an increase in interest rates by 1% would affect comprehensive income by approximately $20,000 (December 31, 2022 - $13,000).

Capital Management

The Company defines capital as shareholders' equity in the amount of $4,128,220 (December 31, 2022 - $3,272,051). The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt.

The Company's objectives in terms of capital management have not changed during the periods ended March 31, 2023 and March 31, 2022.

The Company is not subject to any external capital requirements as of March 31, 2023.

Critical Accounting Estimates and Judgments

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Company's significant estimates and judgments are set out in Note 3 to the financial statements for the year ended December 31, 2022.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 3 to the financial statements for the year ended December 31, 2022.

Subsequent Events

On February 24, 2023, a majority shareholder of the Company entered into a share purchase agreement with Zefiro Methane Holding LLC ("Zefiro"). Under this agreement, Zefiro will acquire 75% of the issued and outstanding shares of the Company in exchange for $3,325,000 in cash and a $2,000,000 promissory note. The promissory note has a principal balance of $2,000,000, is prepayable at any time and bears interest at a rate of 6% per annum compounded monthly. The note matures on the earlier of the second anniversary of the share purchase agreement and the occurrence of an event of default. The principal balance of the note may be reduced in the event the following events occur:

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason before the first anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by $100,000 if the significant shareholder's employment with P&G is terminated for cause or the individual resigns without good reason between the first and second anniversary of the share purchase agreement.

- The promissory note principal balance may be reduced by the value of the post-closing adjustment amount that is negative by more than $170,000. The post-closing adjustment amount is equal to 0.75 times the final closing working capital of P&G less $4,100,000 plus $5,700,000 less the final closing promissory note balance.

The promissory note is secured by 86.50 of the common shares of P&G. The acquisition closed on May 12, 2023.

On May 12, 2023, a significant shareholder of the Company entered into an option and purchase agreement with Zefiro. Under this agreement, Zefiro has the option to purchase a further 5% interest in the Company until May 12, 2024. The purchase price for the additional shares of the Company starts at $355,000 and increases to $420,000 at the end of the option exercise period.

On May 11, 2023, the Company obtained a $1,000,000 loan from Zefiro. The loan accrues interest at a rate

of 8% per year that is payable monthly. The loan is unsecured and is due on the maturity date of June 1, 2025. The loan can be repaid at any time without penalty.

On June 24, 2023, the maximum that may be borrowed under the Company's line of credit was increased from $2,000,000 to $3,000,000.

Subsequent to June 30, 2023, the maximum that may be borrowed under the Company's line of credit was increased from $3,000,000 to $4,000,000.

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the period ended March 31, 2023.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

APPENDIX 11 – AUDIT COMMITTEE CHARTER

APPENDIX 11 – AUDIT COMMITTEE CHARTER

ZEFIRO METHANE CORP.

(the "**Company**")

The Audit Committee is governed by the following charter:

1. PURPOSE OF THE COMMITTEE

1.1 The purpose of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

2. MEMBERS OF THE AUDIT COMMITTEE

2.1 At least one member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 The Audit Committee shall consist of no less than three Directors.

2.3 While the Company is in the developmental stage of its business and is a "venture" issuer under applicable securities laws, the majority of the Committee's members must not be executive officers or employees of the Company or an affiliate of the Company or control persons of the Company.

3.0 RELATIONSHIP WITH EXTERNAL AUDITORS

3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.

3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.

3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.

3.4 The Audit Committee will have direct communications access at all times with the external auditors.

4.0 NON-AUDIT SERVICES

4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to

the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

(a) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and

(b) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

5.0 APPOINTMENT OF AUDITORS

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

6.0 EVALUATION OF AUDITORS

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

7.0 REMUNERATION OF THE AUDITORS

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

8.0 TERMINATION OF THE AUDITORS

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

9.0 FUNDING OF AUDITING AND CONSULTING SERVICES

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

10.0 ROLE AND RESPONSIBILITIES OF THE INTERNAL AUDITOR

10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

11.0 OVERSIGHT OF INTERNAL CONTROLS

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

12.0 CONTINUOUS DISCLOSURE REQUIREMENTS

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13.0 OTHER AUDITING MATTERS

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

14.0 ANNUAL REVIEW

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15.0 INDEPENDENT ADVISERS

15.1 The Audit Committee shall have the power to retain legal, accounting or other or other advisors at the expense of the Company without approval of management.

15.2 The external auditor will report directly to the Audit Committee.

CERTIFICATE OF THE COMPANY

November 3, 2023

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

"Curt Hopkins"
Curt Hopkins
Chief Executive Officer

"Elijah Dumaresq"
Elijah Dumaresq
Chief Financial Officer

On behalf of the Board of Directors

"Talal Debs"
Talal Debs
Founder, Executive Chairman
& Director

"Jonson Sun"
Jonson Sun
Director

CERTIFICATE OF THE PROMOTERS

November 3, 2023

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

"Talal Debs"	*"Joel Dumaresq"*
Talal Debs Promoter	Joel Dumaresq Promoter

CERTIFICATE OF THE UNDERWRITERS

November 3, 2023

To the best of our knowledge, information and belief, this amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

PI FINANCIAL CORP.

"Vay Tham"
Vay Tham
Managing Director

RAYMOND JAMES LTD.

"Jimmy Leung"
Jimmy Leung
Managing Director

ECHELON WEALTH PARTNERS INC.

"Beng Lai"
Beng Lai
Managing Director, Investment Banking