



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2025

The following management's discussion and analysis ("MD&A") was prepared as of November 24, 2025 and is management's assessment of the historical financial and operating results of Northstar Clean Technologies Inc. ("Northstar" or the "Company") and should be read in conjunction with the unaudited condensed interim consolidated financial statements ("Interim Consolidated Financial Statements") of the Company for the three and nine months ended September 30, 2025, as well as the audited consolidated financial statements and notes thereto for the year ended December 31, 2024 and the Company's MD&A for the year ended December 31, 2024.

The Interim Consolidated Financial Statements were prepared on a going concern basis in accordance with International Financial Reporting Standards. Northstar's management is responsible for the integrity of the information contained in this MD&A and for the consistency between the MD&A and the Interim Consolidated Financial Statements. In the preparation of the Interim Consolidated Financial Statements, estimates are necessary to make a determination of future values of certain assets and liabilities. Management believes these estimates have been based on careful judgements and have been properly presented. The Interim Consolidated Financial Statements have been prepared using policies and procedures established by management and fairly reflect Northstar's financial position, results of operations and funds flow from operations. Northstar's Board of Directors approved the Interim Consolidated Financial Statements and MD&A for distribution on November 24, 2025. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

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DESCRIPTION OF THE BUSINESS

Northstar is a Canadian waste to value technology company focused on the sustainable recovery and reprocessing of asphalt shingles. Northstar developed and owns a proprietary design process for taking discarded asphalt shingles, otherwise destined for already over-crowded landfills, and extracts the liquid asphalt for use in new hot mix asphalt shingle manufacturing and asphalt flat roof systems, while also extracting aggregate and fibre for use in construction products and other industrial applications. Focused on the circular economy, Northstar plans to reprocess used or defective asphalt shingle waste back into its three primary components for reuse/resale with its first commercial scale up facility in Calgary, Alberta (“Empower Calgary”). As an emerging innovator in sustainable processing, Northstar aims to lead the recovery and reprocessing of asphalt shingles in North America that would otherwise be sent to landfill addressing numerous stakeholder objectives.

Northstar has developed a proprietary design process known as the Bitumen Extraction & Separation Technology to break down the components of single-use asphalt shingles, that would otherwise be sent to landfills, into market quality products. The component parts of an asphalt shingle are approximately 50% aggregate, 25% fibre and limestone, and 25% liquid asphalt (the “Products”). Once reprocessed, the Products can be used in a variety of applications, including road asphalt, new asphalt shingle manufacturing, construction products, and other industrial applications.

In September 2025, Northstar successfully received a third U.S. patent from the United States Patent and Trademark Office for the recovery of limestone as part of the asphalt reprocessing technology. This establishes a potential fourth product sales line.

The Company plans to sell these components to paving companies, cement companies, roofing companies, shingle manufacturers and other industrial and construction product manufacturers, who may benefit from a supply of low carbon, reprocessed Products.

The Company listed its common shares on the TSX Venture Exchange (the “TSXV”) and began publicly trading on the TSXV under the symbol ‘ROOF’ on July 13, 2021. On January 11, 2022, the Company’s common shares commenced trading on the OTCQB Venture Market under the ticker symbol ‘ROOOF’.

The head office and principal address of the Company is located at 101, 12111 40 Street SE, Calgary, Alberta, T2Z 4E6. The Company’s registered and records office is located at 7046 Brown Street, Delta, British Columbia, Canada, V4G 1G8.

HIGHLIGHTS

The following table summarizes selected financial information of the Company for the periods noted:

(CAD\$, except per share amounts and common shares outstanding)

	Three months ended September 30			Nine months ended September 30		
FINANCIAL RESULTS	2025	2024	% change	2025	2024	% change
Loss and comprehensive loss	\$ 3,947,979	\$ 3,207,180	23%	\$ 10,028,031	\$ 6,164,535	63%
Per share – basic and diluted	0.03	0.03		0.07	0.05	
Net cash flow used in operating activities	1,453,609	1,639,813	(11)%	5,058,138	3,446,754	47%
Per share – basic and diluted	0.01	0.01		0.04	0.03	
<i>Capital expenditures</i>						
Capital expenditures	1,665,409	6,458,443	(74)%	7,344,784	12,400,929	(41)%
<i>Liquidity & Capitalization</i>						
Working capital (deficit) surplus	(3,814,324)	9,794,657		(3,814,324)	9,794,657	
7.95% senior secured non-revolving loan ⁽¹⁾	8,524,160	1,600,000		8,524,160	1,600,000	
Convertible debentures, principal amount ⁽²⁾	9,050,000	10,405,000		9,050,000	10,405,000	
Royalty Debenture ⁽³⁾	15,512,175	14,070,000		15,512,175	14,070,000	
<i>Common shares outstanding</i>						
Weighted average - basic and diluted	146,511,418	127,713,206	15%	138,683,852	127,284,299	9%
Outstanding, end of period ⁽⁴⁾	150,884,415	128,771,908	17%	150,884,415	128,771,908	17%

⁽¹⁾ As at September 30, 2025, \$8,524,160 was outstanding under the Company's non-revolving senior secured debt facility (the "BDC Facility") with the Business Development Bank of Canada ("BDC"). The loan carries a 13-year amortization period beginning September 30, 2025. See Note 8 in the Company's Interim Consolidated Financial Statements as at September 30, 2025.

⁽²⁾ Since December 2022, the Company has entered into various financing arrangements through the issuance of convertible debentures in tranches, raising a total of \$10,405,000 at interest rates varying between 10% and 12.5%. As at September 30, 2025, principal amounts totalling \$9,050,000 remain outstanding, reflecting \$1,355,000 of proceeds received in exchange for conversion into common shares. See Note 9 in the Company's Interim Consolidated Financial Statements as at September 30, 2025.

⁽³⁾ On September 13, 2024, the Company completed an agreement with CVW CleanTech Inc. ("CVW") pursuant to which CVW provided the Company with \$14,000,000 in funding through a five-year 10% second secured convertible debenture (the "Royalty Debenture") convertible into revenue royalties on two future facilities. The balance reflects the change in fair value since inception. See Note 10 in the Company's Interim Consolidated Financial Statements as at September 30, 2025.

⁽⁴⁾ During the quarter the Company closed a non-brokered private placement of 11,926,664 units at a price of \$0.30 per unit for gross proceeds of approximately \$3.6 million. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable to acquire one additional common share at a price of \$0.45 for a period of 36 months from the financing closing date. See Note 11 in the Company's Condensed Interim Consolidated Financial Statements as at September 30, 2025.

- During the nine months ended September 30, 2025, the Company made significant progress on its first commercial-scale facility, Empower Calgary, focused on the recovery and reprocessing of asphalt shingles. This included the completion of construction during the first quarter of 2025, and the successful commissioning of the facility through the second and third quarters.
- Year to date, capital expenditures total \$7.3 million, down from \$12.4 million during the same nine-month period of 2024. The Company's structured investment approach to date for Empower Calgary has aligned with key project milestones, including engineering, construction, and commissioning. Capital expenditures during the nine months ended September 30, 2025 primarily supported the construction and commissioning activities, whereas capital expenditures during the same period in 2024 were focused on critical module fabrication and the procurement of long-lead equipment.
- Capital expenditures total \$1.7 million in the third quarter of 2025, a decrease from \$6.5 million in the same period of 2024 as Empower Calgary approaches commercial operations. While the third quarter of 2024 was marked by the ramp-up of key construction activities, the third quarter of 2025 focused primarily on commissioning efforts, culminating in

several critical milestone achievements for the three-month period ended September 30, 2025. Based on these operational advancements, the Company anticipates ramping up Empower Calgary on a measured basis ultimately leading to steady-state commercial operations with initial product revenue generation anticipated by year-end 2025.

- To date, all major processing units at the Empower Calgary facility have been successfully commissioned, demonstrating the derisking of the Company's proprietary technology and intellectual property. The plant's front-end was fully commissioned early in the second quarter of 2025, and the Company concentrated on commissioning the hydrocarbon processing back-end during the third quarter of 2025. Those efforts enabled end-to-end processing through the facility and resulted in the production of the Company's first liquid asphalt.
- Further ramp-up of commissioning activities continued in the third quarter of 2025. On July 10, 2025, the Company announced the first production of liquid asphalt from end-of-life tear-off shingles and on September 10, 2025, it announced the successful conversion of that recovered liquid asphalt into solid pellets. During commissioning, the facility produced high-quality solid asphalt pellets, demonstrating potential for expanded market access through optimized logistics. Tear-off asphalt shingles are discarded shingles removed from existing roofs and typically directed to landfills for final disposal.
- On July 28, 2025, the Company closed a non-brokered private placement of 11,926,664 units of the Company (each, a "Unit") at a purchase price of \$0.30 per Unit for gross proceeds of approximately \$3.6 million (the "Financing") to transition the Company to commercial operations and fund ongoing business development efforts for Hamilton and the Company's first planned shingle reprocessing facility in the United States. Each Unit consists of one common share and one common share purchase warrant (each, a "Warrant") with each Warrant entitling the holder thereof to acquire one additional common share (each, a "Warrant Share") at an exercise price of \$0.45 per Warrant Share for a period of 36 months following closing of the Financing. In connection with the Financing, the Company paid cash finder's fees totaling \$179,337 and issued 597,787 non-transferable broker warrants, each exercisable at \$0.30 for one common share for a period of 36 months following closing.
- On September 24, 2025, the Company announced successful separation and recovery of limestone from asphalt shingles, establishing a fourth product line in addition to liquid or pelletized asphalt, aggregate and fibre/fibreglass. The United States Patent and Trademark Office issued a new U.S. patent covering the limestone recovery portion of the Company's proprietary asphalt shingle reprocessing technology. This patent is expected to remain in force until 2045. Northstar received its initial U.S. patent in November 2022 and holds patents in both the United States and Canada. The Company continues to pursue additional patent protection in the United States, Canada and other international jurisdictions.

Subsequent to the end of the quarter:

- On October 28, 2025, the Company announced that Empower Calgary reached a key operational milestone by processing over 80 tonnes of shingle feedstock per day. This processing threshold is a critical landmark for the Company and completes Milestone 3 for Emission Reduction Alberta's ("ERA") grant program. In due course, the Company expects to receive over \$700,000 from ERA in connection with the delivery of this Milestone. The Company previously received \$3.9 million from ERA in the second quarter of 2025 upon substantial completion of Empower Calgary, which satisfied the requirements of Milestone 2. To date, the Company has received \$5.2 million, excluding the anticipated proceeds for Milestone 3 and the final Milestone 4, expected in mid 2026.
- On November 12, 2025, the Company announced a 5-year contractual arrangement with The City of Calgary (the "City"), effective April 2026, under which the Company will receive and reprocess asphalt shingles collected through the City's relaunched Shingles Recycling Program. Under the agreement, the Company will receive shingles collected at the Spy Hill, East Calgary, and Shepard Waste Management Facilities for processing at Empower Calgary.

RESULTS OF OPERATIONS

	Three months ended September 30			Nine months ended September 30		
(\$, except where noted)	2025	2024	% change	2025	2024	% change
Revenue - tipping fees	\$ 121,930	\$ 164,669	(26)%	\$ 439,934	\$ 475,383	(7)%
Loss from operating activities	2,617,627	1,511,953	73%	6,363,911	4,335,760	47%
Loss from other items	1,330,352	1,695,227	(22)%	3,664,120	2,318,880	58%
Loss and comprehensive loss	3,947,979	3,207,180	23%	10,028,031	6,164,535	63%
Basic and diluted loss per share	\$ 0.03	\$ 0.03	-	\$ 0.07	\$ 0.05	40%

During the three and nine months ended September 30, 2025, the Company remained in its pre-revenue phase, as it prepared to commence commercial operations, anticipated during the fourth quarter of 2025. Loss and comprehensive loss for the three and nine months ended September 30, 2025, increased to \$3.9 million and \$10.0 million, respectively, compared with \$3.2 million and \$6.2 million for the same periods of 2024. The following discussion outlines the key factors contributing to the higher loss and comprehensive loss in 2025 relative to the prior-year periods.

Revenue

Northstar anticipates five revenue streams, four of which relate directly to the recovery and reprocessing of asphalt shingles, and a fifth related to the potential of carbon credits.

Currently, discarded asphalt shingles are received at the Company's Empower Calgary facility under contracted tipping-fee arrangements with strategic feedstock suppliers, representing the Company's first revenue stream. Tipping fees are charged at a fixed rate per tonne accepted at the facility.

Proprietary operations will recover and reprocess discarded asphalt shingles into products including aggregate, fibre, limestone and liquid asphalt, generating four additional revenue streams. Once reprocessed, the products can be used in a variety of applications, including road asphalt, new asphalt shingle manufacturing, construction products, and other industrial applications. Total product revenues will be directly correlated with the tonnes of discarded asphalt shingles processed at the facility.

During the three and nine months ended September 30, 2025, tipping fees at Empower Calgary were \$121,930 and \$439,934, respectively. For the three and nine months ended September 30, 2024, tipping fees were \$164,669 and \$475,383, respectively. Revenues decreased 26% for the three months ended September 30, 2025 primarily due to reduced shingle collection during the quarter as a result of capacity constraints at the Empower Calgary facility.

Loss from operating activities

	Three months ended September 30			Nine months ended September 30		
(\$, except where noted)	2025	2024	% change	2025	2024	% change
Revenue - tipping fees	\$ 121,930	\$ 164,669	(26)%	\$ 439,934	\$ 475,383	(7)%
Cost of shingle collection	(114,131)	(202,766)	(44)%	(285,145)	(345,290)	(17)%
	7,799	(38,097)	(120)%	154,789	130,093	19%
Expenses						
General and administrative	1,407,918	879,736	60%	3,676,844	2,502,464	47%
Depreciation and amortization	323,574	322,369	-	977,018	963,480	1%
Share-based compensation	359,635	86,884	314%	691,895	393,919	76%
Rent, utilities and site costs	465,851	135,454	244%	970,656	492,215	97%
Insurance	68,448	49,413	39%	202,287	113,775	78%
Loss from operating activities	\$ (2,617,627)	\$ (1,511,953)	73%	\$ (6,363,911)	\$ (4,335,760)	47%

During the three and nine months ended September 30, 2025, the Company's loss from operating activities increased to \$2.6 million and \$6.4 million, respectively, compared with \$1.5 million and \$4.3 million for the same periods of 2024. The increase was primarily driven by higher general and administrative ("G&A") expenses, increased share-based compensation and

sustained levels of rent, utilities and site costs following the construction completion of Empower Calgary in the first quarter of 2025.

G&A expenses rose by \$528,182 and \$1,174,380 during the three and nine months ended September 30, 2025, respectively, reflecting higher headcount and expanded use of external advisory services as the Company advances towards operational readiness at Empower Calgary. Share-based compensation increased by \$272,751 for the three months ended September 30, 2025 and \$297,976 for the nine months ended September 30, 2025, driven by equity settled awards issued under the Company's long-term incentive program. Rent, utilities and site costs increased by \$330,397 for the three months ended September 30, 2025 and \$478,441 for the nine months ended September 30, 2025, largely due to higher rental commitments and greater utility consumption as the facility moves from construction to operations.

Other items

Other items primarily consist of interest expense related with the Company's debt instruments and the fair value re-measurement of the Royalty Debenture. For the three and nine months ended September 30, 2025, other items increased to \$1.3 million and \$3.7 million, respectively, from \$1.7 million and \$2.3 million in the same periods of 2024. The increase is primarily related to interest and finance expense which increased by \$0.3 million and \$1.3 million period-over-period driven mainly by higher interest costs associated with a larger draw on the Company's senior secured non-revolving loan which carries an interest rate of 7.95%, and an increase in the fair value loss on re-measurement of the Royalty Debenture of \$0.3 million for the three months ended September 30, 2025 and \$1.0 million for the nine months ended September 30, 2025, respectively. In addition, the Royalty Debenture issued in September 2024 included transaction costs of approximately \$1.0 million which were expensed during the three and nine months ended September 30, 2024 (\$Nil in the same periods of 2025).

CAPITALIZATION AND FINANCIAL RESOURCES

Capital Expenditures

	Three months ended September 30		Nine months ended September 30	
(\$, except where noted)	2025	2024	2025	2024
Empower Calgary	\$ 1,665,409	\$ 6,455,696	\$ 7,335,725	\$ 12,387,164
Corporate	-	2,747	9,059	13,765
Capital Expenditures	1,665,409	6,458,443	7,344,784	12,400,929
Disposal of non-core assets	(288,882)	-	(288,882)	-
Capitalized interest	180,418	11,435	528,090	11,435
Net Capital Expenditures	\$ 1,556,945	\$ 6,469,878	\$ 7,583,992	\$ 12,412,364

During the three months ended September 30, 2025, the Company continued commissioning activities across all major processing units at Empower Calgary following substantial construction completion earlier in the year. Gross capital expenditures for the quarter totaled \$1.7 million for Empower Calgary, with no corporate capital spend, offset by a disposal of non-core assets of \$288,882 and capitalized interest of \$180,418 resulting in net capital expenditures of \$1.6 million for the quarter compared with \$6.5 million in the three months ended September 30, 2024. The quarter-over-quarter decrease reflects the shift from heavy construction activity in 2024 to commissioning and start-up activity in 2025.

For the nine months ended September 30, 2025, gross capital expenditures were \$7.3 million in total, less the disposal of non-core assets of \$288,882 and including capitalized interest of \$528,090, producing net capital expenditures of \$7.6 million compared with \$12.4 million for the same period in 2024. The \$4.8 million reduction year-to-date reflects the transition through different project phases, with most heavy construction completed by the end of the first quarter of 2025 and subsequent spending focused on commissioning and operational readiness. In addition, during the nine months ended September 30, 2025, the Company allocated \$3.6 million of grant proceeds received from ERA to construction in progress (December 31, 2024 - \$1.3 million from ERA and \$0.1 million from Alberta Innovates).

Final capital costs, inclusive of construction, commissioning and indirect owners' costs will be tabulated at the completion of commissioning as the plant is turned over to operations and production ramps up. Management anticipates that future facilities may benefit from design and construction efficiencies, leading to capital efficiencies, as Empower Calgary incurred several one-time expenses related to facility engineering, module design, first of a kind construction and commissioning and

operational improvements. While these learnings are expected to guide future projects, the extent of capital efficiencies may vary depending on site-specific factors.

The Company's development of asphalt processing activities has been funded to date primarily through the issuance of common shares, convertible debenture financings, royalty debenture financings, government loans and government grants. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its commercialization of a proprietary process technology for the reprocessing of asphalt shingles and the extraction and recovery of asphalt, fibre and aggregate to be sold and used in asphalt pavement, shingle manufacturing, construction products, and other industrial applications, as well as its continued ability to raise capital.

Loan payable

<i>(\$, except where noted)</i>	September 30, 2025	December 31, 2024
Secured 7.95% senior secured non-revolving loan	\$ 8,750,000	\$ 8,132,302
Repayment of loan	(225,840)	-
	8,524,160	8,132,302
Interest accretion	55,603	27,503
Unamortized issue costs	(317,282)	(275,456)
Loan payable	8,262,481	7,884,349
Less current portion	(672,960)	(394,080)
Long term portion	\$ 7,589,521	\$ 7,490,269

During the year ended December 31, 2023, the Company entered into a binding definitive credit agreement with the Business Development Bank of Canada ("BDC") for project financing of up to \$8,750,000 in non-revolving senior secured debt for the Empower Calgary facility (the "BDC Facility"). The loan carries a thirteen-year amortization period which began June 30, 2025, with a fixed five-year interest rate of 7.95%, payable monthly. As at September 30, 2025, the Company had fully drawn the \$8,750,000 available under the BDC Facility (December 31, 2024 – \$8,132,302).

The proceeds were designated for the development and construction of the Company's asphalt shingle reprocessing facility at Empower Calgary.

The agreement includes a range of financial, insurance and reporting conditions. Commencing with the fiscal year ended December 31, 2025, the Company is required to maintain a fixed charge coverage ratio at the Empower Environmental Solutions Calgary Ltd. subsidiary level of 1.1:1. The Company expects the implementation of this ratio to be deferred beyond 2025 to coincide with its first full year of commercial operations. Throughout the term of the BDC Facility, the Company must also maintain appropriate environmental and commercial general liability insurance policies, provide financial statements on a timely basis, remain in good standing with relevant government agencies and comply with environmental laws and regulations, among other minor reporting obligations.

The loan is secured by a first security interest over the assets of Empower Environmental Solutions Calgary Ltd., and is further supported by first security interests over the assets of the named guarantors, Northstar Clean Technologies Inc. and Empower Environmental Solutions Ltd.

Convertible debentures

Date of issue	Maturity	September 30, 2025	December 31, 2024
December 2022	December 2025	\$ 960,000	\$ 1,270,000
February 2023	February 2026	525,000	625,000
December 2023	December 2026	1,860,000	2,200,000
February 2024	February 2027	1,000,000	1,200,000
May 2024	May 2027	2,455,000	2,455,000
June 2024	June 2027	2,250,000	2,250,000
Balance, end of period		\$ 9,050,000	\$ 10,000,000
Less current portion		(1,485,000)	-
Long term portion		\$ 7,565,000	\$ 10,000,000

Since December 2022, the Company has completed a series of financing transactions through the issuance of convertible debentures in multiple tranches, raising a total of \$10.4 million.

As at September 30, 2025, convertible debentures with an aggregate principal amount of \$9.1 million were outstanding, with \$1.5 million due within the next 12 months. During the three and nine months ended September 30, 2025, \$255,000 and \$950,000 respectively, have been converted (\$1,355,000 since date of issue) by holders electing to convert their debentures into common shares.

Royalty Debenture

	September 30, 2025	December 31, 2024
Balance, beginning of period	\$ 14,420,000	\$ -
Fair value at issuance	-	14,000,000
Increase in fair value	1,092,175	420,000
Balance, end of period	\$ 15,512,175	\$ 14,420,000

On September 13, 2024, the Company closed a royalty transaction, pursuant to which CVW provided the Company with a total of \$14.0 million in funding through the Royalty Debenture, convertible into revenue royalties on future facilities. Upon the achievement of certain volume and financial milestones, the balance outstanding will convert into equal royalty interests in the next two Northstar asphalt shingle reprocessing facilities after Empower Calgary. The Royalty Debenture will convert at a ratio of 1.7143% for every \$1,000,000 of principal, presently with a royalty interest of 13.3% per facility resulting from a conversion of \$15,512,175 in principal.

Proceeds received from the Royalty Debenture enhanced working capital reserves and were dedicated to business development initiatives for future site selections, facility build-out and general corporate purposes.

CASH FLOW SUMMARY

	Three months ended September 30			Nine months ended September 30		
	2025	2024	% change	2025	2024	% change
<i>(\$, except where noted)</i>						
Net cash provided by (used in):						
Operating activities	\$ (1,453,609)	\$ (1,639,813)	(11)%	\$ (5,058,138)	\$ (3,446,754)	47%
Investing activities	(1,193,214)	(3,243,696)	(63)%	(5,180,337)	(8,817,977)	(41)%
Financing activities	2,577,086	14,835,428	(83)%	1,988,153	19,994,192	(90)%
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	246	(24,552)	(101)%	(3,652)	173,365	(102)%
Net change in cash and cash equivalents	\$ (69,491)	\$ 9,927,367	(101)%	\$ (8,253,974)	\$ 7,902,826	(204)%

Net cash used in operating activities for the three months ended September 30, 2025 decreased by \$0.2 million compared with the three months ended September 30, 2024. For the nine months ended September 30, 2025, net cash used in operating activities increased by \$1.6 million versus the same period in 2024, primarily reflecting higher G&A expenses and increased rent, utilities and site costs at Empower Calgary.

Net cash used in investing activities for the three and nine months ended September 30, 2025 decreased by \$2.1 million and \$3.6 million, respectively, compared with the same periods of 2024. The decrease was driven primarily by lower capital expenditures in 2025 and by higher grant proceeds received in 2025 (\$3.6 million) compared with 2024 (\$1.4 million).

Net cash provided by financing activities for the three and nine months ended September 30, 2025 decreased by \$12.3 million and \$18.0 million, respectively, compared to the same periods of 2024, primarily due to reduced fundraising requirements to date in 2025. During the nine-month period ended September 30, 2025, the Company completed a private placement on July 28, 2025, generating gross proceeds of \$3.6 million. In addition, \$431,913 was received from the exercise of warrants and options.

In contrast, during the nine months ended September 30, 2024, the Company raised gross proceeds of approximately \$21.7 million, including: \$14.0 million in proceeds from the Royalty Debenture, a five-year 10.0% second secured convertible debenture convertible into revenue royalties on two future facilities; \$1.6 million in loan proceeds under the BDC Facility; and \$6.1 million from the issuance of convertible debentures.

Cash inflows in both periods were partially offset by interest payments on convertible debentures issued in prior periods to finance the Empower Calgary project, as well as interest payments on the BDC Facility at an annual rate of 7.95%. These payments, which were higher in 2025 due to timing, reflect the ongoing cash obligations associated with prior-year debt financing used to support the development and construction of Empower Calgary.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

SHARES OUTSTANDING

At September 30, 2025, the Company had the following share capital instruments outstanding or exercisable:

Common Shares:	
Outstanding at December 31, 2024	130,875,408
Private placement issuance	11,926,664
Conversion of convertible debentures	4,340,000
Exercise of warrants ⁽¹⁾	1,991,108
Issued upon vesting and release of equity-settled RSUs and PSUs ⁽²⁾	1,576,815
Exercise of options	174,420
Common shares outstanding as at September 30, 2025	150,884,415
Convertible securities:	
Equity-settled RSUs and PSUs ⁽²⁾	2,392,286
Stock options outstanding	12,107,383
Warrants	64,322,068
Convertible securities as at September 30, 2025	78,821,737
Preferred Shares	
Outstanding as at September 30, 2025	29,244,756

⁽¹⁾ Warrants were exercised at the price of \$0.20 per common share, resulting in cash proceeds received of \$398,222.

⁽²⁾ Excludes 87,210 which vested on September 19, 2025, but issued after quarter end following receipt of associated tax remittance from the holder.

Subsequent to the end of the period, the Company had the following share capital instruments outstanding and exercisable as at November 24, 2025:

	Units
Common shares:	
Outstanding as at September 30, 2025	150,884,415
Equity-settled RSUs and PSUs	87,210
Exercise of warrants ⁽¹⁾	68,920
Outstanding as at November 24, 2025	151,040,545
Convertible securities granted and outstanding:	
Equity-settled RSUs and PSUs	2,392,286
Stock options outstanding	12,107,383
Warrants	64,253,148
Convertible securities as at November 24, 2025	78,752,817
Preferred Shares	
Outstanding as at November 24, 2025	29,244,756

⁽¹⁾ Warrants were exercised at the price of \$0.20 per common share, resulting in cash proceeds received of \$13,784.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The information presented in the table below reflects management's estimate of the contractual maturities of obligations at September 30, 2025. These estimates may differ significantly from the actual maturities of these obligations.

Commitments	2025	2026	2027	2028	2029	Thereafter	Total
Office lease-related operating costs							
Northstar ⁽ⁱ⁾	\$ 7,134	\$ 28,536	\$ 28,536	\$ 28,536	\$ 28,536	\$ 2,378	\$ 123,656
Empower Calgary ⁽ⁱⁱ⁾	60,491	241,965	241,965	241,965	241,965	2,177,688	3,206,039
Empower Delta ⁽ⁱⁱⁱ⁾	61,010	244,041	244,041	244,041	244,041	2,684,448	3,721,622
	128,635	514,542	514,542	514,542	514,542	4,864,514	7,051,317
Other obligations							
Lease Liabilities – base rent							
Northstar ⁽ⁱ⁾	14,092	56,368	57,983	59,744	59,891	4,991	253,069
Empower Calgary ⁽ⁱⁱ⁾	216,075	876,047	888,088	900,276	912,904	10,428,577	14,221,967
Empower Delta ⁽ⁱⁱⁱ⁾	152,459	875,653	897,544	919,983	942,982	12,065,978	15,854,599
	382,626	1,808,068	1,843,615	1,880,003	1,915,777	22,499,546	30,329,635
Loan Payable ^(iv)	168,240	672,960	672,960	672,960	672,960	5,664,080	8,524,160
Interest on Loan Payable ^(iv)	169,686	639,659	586,158	532,717	479,154	1,912,870	4,320,244
Convertible Debenture ^(v)	960,000	2,385,000	5,705,000	-	-	-	9,050,000
Royalty Debenture ^(v)	-	-	-	-	15,512,175	-	15,512,175
Total other obligations	\$1,680,552	\$5,505,687	\$8,807,733	\$3,085,680	\$18,580,066	\$30,076,496	\$67,736,214
Total commitments and obligations	\$1,809,187	\$6,020,229	\$9,322,275	\$3,600,222	\$19,094,608	\$34,941,010	\$74,787,531

- (i) Leased office space with an initial term of 5 years commencing February 1, 2025, and includes one additional 5-year term. Office lease-related operating costs includes estimated annual operating costs and property taxes. Other obligations include undiscounted future obligations associated with this liability.
- (ii) Leased land and building for the Empower Calgary facility in Rocky View County near Calgary, Alberta with an initial term of 15 years commencing March 1, 2025 and two additional 5-year optional terms. Office lease-related operating costs includes estimated annual operating costs and property taxes. Other obligations include undiscounted future obligations associated with this liability.
- (iii) Leased land and building for the pilot facility in Delta, BC with an initial term commencing January 1, 2025, and ending December 31, 2040. Office lease-related operating costs includes estimated annual operating costs and property taxes. Other obligations include undiscounted future obligations associated with this liability.
- (iv) The BDC Facility has a 13-year repayment period and annual interest rate of 7.95% for five years.
- (v) Principal payments only, excludes interest.

CAPITAL MANAGEMENT

The Company's capital consists of cash and cash equivalents, loans, convertible debentures, royalty debentures and shareholders equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its processing technology and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt or convertible debt, enter into strategic partnerships, enter into royalty financing arrangements and/or acquire or dispose of assets.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company's Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

To maximize ongoing development efforts, the Company does not pay dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company's debt obligations include: the \$8.75 million non-revolving senior secured loan payable with BDC, which carries a 13-year amortization period and a fixed five-year interest rate of 7.95%, payable monthly; various convertible debentures with a principal balance of \$9.05 million as at September 30, 2025 and interest rates ranging from 10% to 12.5% convertible into common shares at the option of holders; and a \$15.5 million five-year 10% second secured Royalty Debenture convertible into revenue royalties on two future facilities, on which no principal payments are permitted and interest is paid semi-annually or, at the election of the Company, added to the principal. As at September 30, 2025, \$2.2 million of the Company's debt obligations are due within the next 12 months.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers the stage and success of the Company's evaluation and execution activities to date, and the continued participation of the Company's partners in evaluation activities and financial market conditions. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

There have been no changes to the Company's approach to capital management during the three months ended September 30, 2025. The Company is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

- (a) As at September 30, 2025, accounts payable and accrued liabilities include \$517,520 (December 31, 2024 - \$350,837) owing to key management personnel related to annual performance bonuses. The amounts are unsecured and non-interest bearing.
- (b) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. During the periods presented, the Company paid or accrued the following key management personnel compensation to directors, officers, and/or companies controlled by directors and officers and/or companies with certain directors in common:

	Three months ended September 30			Nine months ended September 30		
	2025	2024	% change	2025	2024	% change
<i>(\$, except where noted)</i>						
Advertising, marketing and promotion	\$ -	\$ 18,378	(100)%	\$ -	\$ 18,378	(100)%
Share-based compensation	238,891	66,638	258%	470,333	274,828	71%
Wages and benefits	447,159	428,912	4%	1,056,833	1,042,650	1%
	\$ 686,050	\$ 513,928	33%	\$ 1,527,166	\$ 1,335,856	14%

- (c) During the nine months ended September 30, 2025, the amount of \$Nil (December 31, 2024 - \$50,000) was received in convertible debenture proceeds by officers or directors of the Company.
- (d) During the nine month period ended September 30, 2025 the Company issued 1,291,498 (September 30, 2024 – 1,088,591) common shares to key management personnel related to the vesting of equity-settled RSUs and PSUs, with an additional 87,210 common shares issued for equity-settled RSUs subsequent to quarter end following receipt of associated tax remittance from the holder.

SUMMARY OF QUARTERLY RESULTS

(\$, except as indicated)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Total assets	\$ 46,834,573	\$ 46,300,681	\$ 49,378,626	\$ 45,728,755
Property, plant and equipment	26,265,937	24,659,020	26,396,070	22,418,635
Working capital surplus (deficit)	(3,814,324)	(1,697,301)	(426,551)	4,839,707
Shareholders' (deficiency) equity	(6,228,342)	(6,138,843)	(3,462,176)	(1,333,578)
Revenue – Tipping fees	121,930	142,487	175,517	165,186
Expenses	2,625,426	2,150,251	1,743,023	2,270,470
Loss and comprehensive loss	3,947,979	3,130,135	2,949,917	3,168,285
Per share - basic and diluted	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.02
Weighted average shares outstanding	146,511,418	136,448,577	132,942,452	129,443,826

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Total assets	\$ 36,949,134	\$ 20,683,139	\$ 17,909,998	\$ 17,875,045
Property, plant and equipment	15,694,999	9,348,796	6,666,930	5,040,686
Working capital surplus (deficit)	9,794,657	3,446,112	3,440,770	5,170,113
Shareholders' (deficiency) equity	1,199,210	4,244,205	4,238,202	5,437,397
Revenue – Tipping fees	164,669	240,114	70,600	64,601
Expenses	1,473,856	1,448,114	1,543,883	1,834,702
Loss and comprehensive loss	3,207,180	1,375,777	1,581,578	1,887,679
Per share - basic and diluted	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.02
Weighted average shares outstanding	127,713,206	127,424,597	126,710,381	126,710,381

The following items materially affected quarter over quarter change in total assets, property plant and equipment and loss and comprehensive loss over the eight most recent quarters:

- Significant equity and debt capital raises, including convertible debentures and the Royalty Debenture, together with loan proceeds under the BDC Facility and material government grant receipts (ERA and Alberta Innovates), which increased cash and other assets in 2024 and were deployed thereafter;
- Large capital expenditures to construct Empower Calgary, driving step-up in property, plant and equipment as financings were invested into the facility;
- Increasing operating costs as the Company scaled toward commercial operations; expense growth primarily reflects added staffing and site-related operating costs; and.
- Volatility in working capital driven by timing of financings, grant receipts and capital spend. Large financing inflows in mid-2024 materially improved working capital, while subsequent capex and increased operating outflows in 2025 reduced short-term liquidity and produced the working capital deficit in recent quarters.

CRITICAL ACCOUNTING ESTIMATES

Management is often required to make judgements, assumptions and estimates in the application of International Financial Reporting Standards that have a significant impact on the financial results of the Company. A comprehensive discussion of the Company's significant accounting policies is contained in note 4 to the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2024.

RISKS AND UNCERTAINTIES

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and / or results of operations of the Company. The risks that could affect the Company have been described in the MD&A of the Company for the year ended December 31, 2024 which is available on the Company's

website at www.northstarcleantech.com and is also available on the SEDAR+ website at <https://www.sedarplus.ca>. The risks identified therein do not constitute an exhaustive list of all possible risks as there may be additional risks of which management is currently unaware.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. 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.

The Company has controls and procedures in place to ensure that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized, and reported within the appropriate time periods and that required information is accumulated and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, that address such matters as future events or developments that the Company expects are forward-looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", "hopes", "objective" and similar expressions, or that events or conditions "will", "would", "may", "could", "can", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions, including, among other things, with respect to anticipated costs and expenditures, and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions as well as risks associated with foreign trade policies, including the imposition of or changes to U.S. tariffs, which may impact input costs, supply chain dynamics, or future cross-border expansion. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events to differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

ADDITIONAL INFORMATION

Additional information regarding the Company can be found on SEDAR+ at www.sedarplus.ca.