

Ecolomondo Corporation
Interim Condensed Consolidated
Financial Statements
September 30, 2024
(Unaudited)

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Ecolomondo Corporation

Condensed Consolidated Balance Sheets

September 30, 2024 and December 31, 2023

(In Canadian dollars)

	Unaudited 2024-09-30	2023-12-31
	\$	\$
ASSETS		
Current		
Cash	1,026,002	88,272
Sales taxes and other receivable	291,393	311,407
Prepaid expenses and deposits	337,007	210,520
Inventory	109,907	-
Total current assets	<u>1,764,309</u>	<u>610,199</u>
Non-current		
Property, plant and equipment (Note 4)	47,897,206	44,554,339
Right of use assets		22,129
Total non-current assets	<u>47,897,206</u>	<u>44,576,468</u>
Total assets	<u><u>49,661,515</u></u>	<u><u>45,186,667</u></u>
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	1,179,547	1,702,250
Advances from a company under common control	1,298,249	3,528,853
Deferred revenues (Note 5)	1,000,000	1,000,000
Deposit from a potential future partner (Note 6)	2,564,810	2,512,940
Current portion of long term debt (Note 7)	1,500,000	983,750
Current portion of lease liabilities	-	19,184
Total current liabilities	<u>7,542,606</u>	<u>9,746,977</u>
Non-current		
Long term debt (Note 7)	41,484,901	35,963,612
Warrant liability (Note 8)	166,780	
Total non-current liabilities	<u>41,651,681</u>	<u>35,963,612</u>
Total liabilities	<u><u>49,194,287</u></u>	<u><u>45,710,589</u></u>
EQUITY		
Common shares (Note 8)	26,878,003	21,836,789
Options (Note 8)	3,671,253	4,382,371
Warrants (note 8)	130,583	
Accumulated deficit	<u>(30,212,611)</u>	<u>(26,743,082)</u>
Total equity	<u>467,228</u>	<u>(523,922)</u>
Total liabilities and equity	<u><u>49,661,515</u></u>	<u><u>45,186,667</u></u>

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

On behalf of the Board,

/s/ Eliot Sorella
Director

/s/ Donald Prinsky
Director

Ecolomondo Corporation

Interim Condensed Consolidated Statements of Comprehensive Loss

For the three-month and nine-month periods ended September 30, 2024 and 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

	Three-month periods ended		Nine-month periods ended	
	2024-09-30	2023-09-30	2024-09-30	2023-09-30
	\$	\$	\$	\$
Revenues	173,837	105,486	409,682	153,434
Expenses				
General and administrative expenses (Note 9)	308,477	445,878	874,731	946,721
Operating expenses (Note 9)	733,244	210,207	1,840,293	662,415
Loss (gain) on revaluation of warrant liability (Note 9)	166,780	(55,179)	166,780	(311,849)
Financial expenses	268,836	15,934	806,509	45,000
Total expenses	1,477,337	616,840	3,688,313	1,342,287
Loss before income taxes	(1,303,500)	(511,354)	(3,278,631)	(1,188,853)
Income taxes				
Deferred		(36,143)		(108,429)
		(36,143)		(108,429)
Net loss and comprehensive loss	(1,303,500)	(475,211)	(3,278,631)	(1,080,424)
Net loss per share				
Basic and diluted	(0.01)	0.00	(0.02)	(0.01)
Weighted average number of common shares outstanding, basic and diluted	216,640,686	188,765,150	215,245,457	188,643,044

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

Ecolomondo Corporation

Interim Condensed Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2024 and 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

	2024-09-30						
	Number of class "A" shares outstanding	Share capital	Share capital to be issued	Options	Warrants	Deficit	Total equity
		\$	\$	\$		\$	\$
Balance, December 31, 2023	188,765,150	21,836,789	–	4,382,371	–	(26,743,082)	(523,922)
Issuance of share capital (Note 8)	28,732,208	5,041,214			130,583	(1,166,284)	4,005,513
Forfeited options				(975,386)		975,386	
Stock-based compensation				264,268			264,268
Transactions with owners	217,497,358	26,878,003		3,671,253	130,583	(26,933,980)	3,745,859
Net loss and comprehensive loss for nine-month period ended September 30, 2024	–	–	–	–	–	(3,278,631)	(3,278,631)
Balance, September 30, 2024	<u>217,497,358</u>	<u>26,878,003</u>	<u>-</u>	<u>3,671,253</u>	<u>130,583</u>	<u>(30,212,611)</u>	<u>467,228</u>
							2023-09-30
	Number of class "A" shares outstanding	Share capital	Share capital to be issued	Options	Warrants	Deficit	Total equity
		\$	\$	\$		\$	\$
Balance, December 31, 2022	186,542,814	19,418,625	1,500,000	3,709,313	–	(22,018,374)	2,609,564
Issuance of capital shares		1,500,000	(1,500,000)				
Issuance of units (Note 8)	2,222,336	888,600			83,172		971,772
Stock-based compensation				536,500			536,500
Transactions with owners	188,765,150	21,807,225		4,245,813	83,172	(22,018,374)	4,117,836
Net loss and comprehensive loss for nine-month period ended September 30, 2023	–	–	–	–	–	(1,080,424)	(1,080,424)
Balance, September 30, 2023	<u>188,765,150</u>	<u>21,807,225</u>	<u>-</u>	<u>4,245,813</u>	<u>83,172</u>	<u>(23,098,798)</u>	<u>3,037,412</u>

Ecolomondo Corporation

Interim Condensed Consolidated Statements of Cash Flows

For the three-month and nine-month periods ended September 30, 2024 and 2023

(In Canadian dollars)

(Unaudited)

	Three-month periods ended		Nine-month periods ended	
	2024-09-30	2023-09-30	2024-09-30	2023-09-30
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(1,303,500)	(475,211)	(3,278,631)	(1,080,424)
Non-cash items				
Interest on long term debt	274,401		806,509	
Loss (gain) on revaluation of warrant liability	166,780	(55,179)	166,780	(311,849)
Stock-based compensation	-	309,618	264,268	536,500
Unrealized foreign exchange loss (gain)	(37,620)	51,680	51,870	(4,560)
Depreciation of building	129,000		387,000	
Depreciation of equipment	-	150,057	-	450,171
Depreciation of right of use assets	-	18,389	22,129	78,360
Amortization of debt transaction costs	-	13,350	-	40,050
Deferred income taxes	-	(36,143)	-	(108,429)
Changes in working capital items (Note 10)	(539,098)	64,881	(739,083)	(313,292)
Net cash provided by (used for) operating activities	(1,310,037)	41,442	(2,319,158)	(713,473)
INVESTING ACTIVITIES				
Plant under construction	(386,626)	(736,356)	(1,478,837)	(1,413,269)
Net cash used for investing activities	(386,626)	(736,356)	(1,478,837)	(1,413,269)
FINANCING ACTIVITIES				
Advance from a company under common control	(945,185)	725,300	1,268,249	1,175,300
Repayment of lease liabilities	-	(25,608)	(19,184)	(87,878)
Repayment of long term debt	-		(20,000)	
Additional long term debt	3,000,000		3,000,000	
Issuance of units	506,660		506,660	971,772
Net cash provided by financing activities	2,561,475	699,692	4,735,725	2,059,194
Net increase (decrease) in cash	864,812	4,778	937,730	(67,548)
Cash, beginning of period	161,190	32,942	88,272	105,268
Cash, end of period	1,026,002	37,720	1,026,002	37,720

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

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

Ecolomondo Corporation (the "Company") was incorporated on September 30, 2015 under the Canada Business Corporations Act.

The Company's planned principal business is the manufacture and sale of turnkey facilities based on its technology platform as well as the collection of royalties from their operation or the operation of these facilities through wholly-owned or jointly-owned companies.

The head office and the registered head office of the Company is located at 3435 Pitfield Boulevard, Saint-Laurent, Quebec, Canada.

2 - GOING CONCERN ASSUMPTION

Since inception, the Company has incurred operating losses. As at September 30, 2024, the Company has an accumulated deficit of \$30,212,611 (\$26,743,082 as at December 31, 2023). The Company has not yet completed the construction of its Hawkesbury plant to enable the Company to establish a stabilized source of revenue sufficient to cover operating expenses. Based on the current level of expenditures and available liquidity, management estimates that the Company will require additional financing within the next twelve months.

The Company is actively seeking to secure additional funding through: equity-based financing, debt-financing or other arrangements; however, there is no assurance that the Company will be successful in this or any of its endeavours or become financially viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the consolidated statements of financial position classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3 - BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements present the Company's consolidated balance sheet as of September 30, 2024, as well as its consolidated statements of comprehensive loss and cash flows for the three and nine months ended September 30, 2024 and 2023 and the changes in shareholders' equity for the nine months ended September 30, 2024 and 2023.

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

3 - BASIS OF PRESENTATION (Continued)

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting and are expressed in Canadian dollars. Accordingly, certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), have been omitted or condensed. These interim condensed consolidated financial statements use the same accounting policies, except for the adoption of the new accounting standards discussed below, and use the same methods of computation as compared with the Company's most recent annual audited consolidated financial statements. Since the date of such financial statements, there have been no changes to the Company's significant accounting policies, except for the adoption of the new accounting standards described below. There are no new accounting pronouncements issued during the period which might have a material impact on the Company's interim condensed consolidated financial statements.

These interim condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present a fair statement of the results for these interim periods. These adjustments are of a normal recurring nature.

These interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 25, 2024.

Standards, amendments and interpretation to existing standards that are not yet effective

At the date of authorization of these interim condensed consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board but are not yet effective, and have not been early adopted by the Company.

Any new standards and interpretations that have been issued are not expected to have a material impact on the Company's interim condensed consolidated financial statements.

Ecolomondo Corporation

Notes to Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars)

4 - PROPERTY, PLANT AND EQUIPMENT

	Plant under construction	Equipment under construction	Building	Land	Reactor	Total
	\$	\$	\$	\$	\$	\$
Cost as at December 31, 2023		33,842,454	10,227,487	613,398	8,700,968	53,384,307
Construction costs capitalized		3,729,867				3,729,867
Disposal					(8,700,968)	(8,700,968)
Cost as at September 30, 2024		<u>37,572,321</u>	<u>10,227,487</u>	<u>613,398</u>		<u>48,413,206</u>
Accumulated depreciation as at December 31, 2023			129,000		8,700,968	8,829,968
Disposal					(8,700,968)	(8,700,968)
Depreciation			387,000			387,000
Accumulated depreciation as at September 30, 2024			<u>516,000</u>			<u>516,000</u>
Balance as at September 30, 2024		<u>37,572,321</u>	<u>9,711,487</u>	<u>613,398</u>	–	<u>47,897,206</u>
Cost as at December 31, 2022	42,451,275				8,700,968	51,152,243
Transfer	(42,451,275)	31,610,390	10,227,487	613,398		
Construction costs capitalized		5,624,700				5,624,700
Write-down of equipment		(3,392,636)				(3,392,636)
Cost at December 31, 2023		<u>33,842,454</u>	<u>10,227,487</u>	<u>613,398</u>	<u>8,700,968</u>	<u>53,384,307</u>
Accumulated depreciation as at December 31, 2022					7,910,962	7,910,962
Depreciation			129,000		790,006	919,006
Accumulated depreciation as at December 31, 2023			<u>129,000</u>		<u>8,700,968</u>	<u>8,829,968</u>
Balance as at December 31, 2023		<u>33,842,454</u>	<u>10,098,487</u>	<u>613,398</u>	–	<u>44,554,339</u>

During the year ended December 31, 2022, the Company received a parcel of land from a municipal authority in Shamrock, Texas for \$10. The Company was required to build a plant on that parcel of land beginning in October 2023. As there are delays in the start of construction, the Company has obtained an extension to the start of the project.

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Notes to Interim Condensed Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

5 - DEFERRED REVENUES

As at September 30, 2024, the deferred revenues are composed of a customer deposit on the signing of a letter of intent for the purchase of a facility. The deposit is for an amount of \$1,000,000 (\$1,000,000 as at December 31, 2023). Of this amount, \$100,000 represents a non-refundable commitment fee. This commitment fee together with an amount of \$600,000 will be credited against the contract price. The balance of \$300,000 will be held until such time as a facility that has received final completion has been delivered to the potential buyer. If a contract for the sale of a facility is not signed, then the Company will retain \$500,000 and the remaining \$500,000 will be returned to the potential buyer.

6 - DEPOSIT FROM A FUTURE PARTNER

In 2019, the Company received an amount of U.S. \$1,900,000 (\$2,564,810 as at September 30, 2024, \$2,512,940 as at December 31, 2023) from a potential future partner. When the plant under construction will be completed, the Company and the potential future partner will negotiate the sale of a participation of up to 45% of the subsidiary that owns the plant. As at September 30, 2024, the plant is not yet complete, and as such, the transaction has not been finalized. Upon the eventual sale of the participation, the deposit will be applied against the sale price.

7 - LONG TERM DEBT

	<u>2024-09-30</u>	<u>2023-12-31</u>
	\$	\$
Balance of purchase price, payable in 10 equal annual instalments of \$20,000, bearing interest at 3%	80,000	100,000
Government loans, 5% (without interest in 2023), due December 2025	180,000	180,000
Term loan for an authorized amount of \$37,903,920, secured by a movable hypothec on all present and future assets of the Company, bearing interest at the Canadian Overnight Rep Rate Average rate plus 6.5% total not to exceed 8.5%, payable in quarterly instalments starting in May 2025, maturing in May 2029	39,724,901	36,667,362
Term loan for an authorized amount of \$3,000,000, bearing interest at prime rate plus 8%, payable in 12 consecutive equal instalments starting April 2025, maturing March 2026	3,000,000	
	42,984,901	36,947,362
Current portion	1,500,000	983,750
	41,484,901	35,963,612

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

7 - LONG TERM DEBT (Continued)

Amendments to term loan agreement dated May 31, 2024:

- a. Notwithstanding anything else contained in the Loan Agreement, the principal payments that are scheduled to be paid on or before May 31, 2024, August 31, 2024, November 30, 2024, and February 28, 2025 shall, subject to certain terms of this agreement, not be paid by the Company on the dates provided for such payments in the loan agreement and shall instead be paid on the maturity date.
- b. Notwithstanding anything else contained in the loan agreement, the interest payments that are scheduled to be paid on or before May 31, 2024, August 31, 2024, November 30, 2024, and February 28, 2025 shall, subject to the terms of this agreement, not be paid by the Company on the dates provided for such payments in the loan agreement and shall instead be added to the principal amount outstanding under the loan to be paid on the maturity date.

8 - SHARE CAPITAL

- a) Share capital

	<u>2024-09-30</u>	<u>2023-12-31</u>
	\$	\$
Issued and outstanding		
217,497,358 class "A" shares (188,765,150 on December 31, 2023)	<u>26,878,003</u>	<u>21,836,789</u>

On July 29, 2024, the Company issued 2,814,778 units for gross proceeds of \$506,660. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the company for \$0.24 and will expire on July 29, 2026. \$376,077 of the issue price was allocated to the share capital and \$130,583 of the issue price was allocated to the warrants. 1,111,112 of the units were acquired by a company under common control.

The fair value of the share purchase warrants was estimated using the Black-Scholes pricing model using the following information:

Share price	\$	0.21
Risk-free interest rate		3.57%
Expected dividend yield		Nil
Expected volatility		69%
Expected life		2 years

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Notes to Interim Condensed Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

8 - SHARE CAPITAL (Continued)

On January 2, 2024, \$3,498,853 of advances from a company under common control were converted into 25,917,430 common shares. The market price of the shares on January 2, 2024 was \$0.18 resulting in a loss on settlement of \$1,166,284 recorded in deficit.

On January 16, 2023, the Company issued 2,222,336 units for gross proceeds of \$1,000,051. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the company for \$0.55. The warrants expired on July 16, 2023. \$918,164 of the issue price was allocated to the share capital and \$53,608 of the issue price was allocated to the warrants. Issue costs of \$28,279 were recorded against the share capital. 852,225 of the units were acquired by a company under common control.

The fair value of the share purchase warrants was estimated using the Black-Scholes pricing model using the following information:

Share price	\$	0.43
Risk-free interest rate		3.77%
Expected dividend yield		Nil
Expected volatility		62%
Expected life		1.5 year

b) Warrants

On September 13, 2024, the Company has extended the expiry date of a total of 3,076,922 common share purchase warrants recorded as liabilities by an additional 2 years to September 24, 2026. Further, the Company has reduced the exercise price from \$1 to \$0.24 per warrant.

A continuity of warrants recorded as liabilities and their related recorded values is set out as follows:

	Number of warrants	Amount	Weighted average exercise price
Balance as at December 31, 2022	3,076,922	325,232	1.00
Gain on evaluation of warrant liability		(311,849)	
Balance as at September 30, 2023	3,076,922	13,383	1.00
Balance as at December 31, 2023	3,076,922		1.00
Loss on evaluation of warrant liability		166,780	
Balance as at September 30, 2024	3,076,922	166,780	0.24

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(In Canadian dollars, except for number of shares)

(Unaudited)

8 - SHARE CAPITAL (Continued)

b) Warrants (Continued)

The fair value of the share purchase warrants recorded as liabilities on September 30, 2023, has been estimated using the Black-Scholes pricing model using the following information:

Share price	\$0.31
Risk-free interest rate	4.83%
Expected dividend yield	-
Expected volatility	62%
Expected life	1 year

The fair value of the share purchase warrants recorded as liabilities on September 30, 2024, has been estimated using the Black-Scholes pricing model using the following information:

Share price	\$0.18
Risk-free interest rate	2.94%
Expected dividend yield	-
Expected volatility	68%
Expected life	2 years

c) Options

A continuity of options and their related recorded values is set out as follows:

	Number of options	Weighted average exercise price \$
Balance as at December 31, 2023	13,582,429	0.35
Forfeited	(2,920,000)	0.35
Issue of stock options	360,000	0.17
Balance as at September 30, 2024	<u>11,022,429</u>	0.33
Options exercisable	<u>11,082,568</u>	0.33

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(In Canadian dollars, except for number of shares)

(Unaudited)

8 - SHARE CAPITAL (Continued)

c) Options (Continued)

	Number of options	Weighted average exercise price \$
Balance as at December 31, 2022	11,182,429	0.34
Issue of stock options	2,400,000	0.38
Balance as at September 30, 2023	<u>13,582,429</u>	0.35
Options exercisable	<u>11,907,429</u>	<u>0.34</u>

During the period ended September 30, 2023, the Company granted 2,400,000 options to its directors and officers. Each option entitles its holder to purchase an equivalent number of the Company's class "A" shares at a price of \$0.3525 to \$0.41 per share and expire 10 years after the grant date. Half of the options vest six months from the grant date and the remainder vest 12 months from the grant date. The total fair value has been estimated at \$935,961 using the Black-Scholes option pricing model with the following assumptions:

	1,450,000 options	950,000 options
Risk-free interest rate	3.70%	4.78%
Expected dividend yield	Nil	Nil
Expected volatility	83%	82%
Expected life	120 months	120 months
Share price	\$0.48	\$0.41

The volatility has been estimated based on the historical share prices of the Company over the period available.

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Notes to Interim Condensed Consolidated Financial Statements

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(In Canadian dollars, except for number of shares)

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8 - SHARE CAPITAL (Continued)

c) Options (Continued)

The following table summarizes information about options outstanding for the period ended September 30, 2024:

Exercise price	Number of options
\$	
0.10	75,000
0.17	350,000
0.27	10,000
0.30	1,450,000
0.35	5,337,429
0.3525	1,450,000
0.37	1,400,000
0.41	950,000
	<u>11,022,429</u>

9 - INFORMATION INCLUDED IN THE INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three-month periods ended		Nine-month periods ended	
	2024-09-30	2023-09-30	2024-09-30	2023-09-30
	\$	\$	\$	\$
General and administrative expenses				
Foreign exchange gain (loss)	(35,920)	(43,439)	42,518	8,586
Stock based compensation	–		264,268	
Operating expenses				
Depreciation of building	129,000		387,000	
Depreciation of equipment	–	150,057		450,171
Depreciation of right of use assets	–	18,392	22,129	78,360
Salaries and other short-term benefits	664,273	50,036	894,482	114,772
Financial expenses				
Interest on lease liabilities	–	1,663	5,565	4,019
Interest on long-term debt	274,401		806,509	

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Notes to Interim Condensed Consolidated Financial Statements

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(In Canadian dollars, except for number of shares)

(Unaudited)

10 - INFORMATION INCLUDED IN INTERIM CONDENSED CONSOLIDATED CASH FLOWS

The changes in working capital items for the three and nine-month periods ended September 30, 2024 and 2023 are detailed as follows:

	Three-month periods ended		Nine-month periods ended	
	2024-09-30	2023-09-30	2024-09-30	2023-09-30
	\$	\$	\$	\$
Receivables	(11,460)	1,333	20,014	72,554
Prepaid expenses	72,768		(126,487)	68,791
Inventories	21,545		(109,907)	
Accounts payable and accrued liabilities	(621,951)	63,548	(522,703)	(454,637)
	<u>(539,098)</u>	<u>64,881</u>	<u>(739,083)</u>	<u>(313,292)</u>

11 - FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments include cash, accounts payable and accrued liabilities, deposit from a future partner and long-term debt. The carrying amount of these financial instruments approximates their fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these interim condensed consolidated financial statements.

The fair value of the share purchase warrants has been estimated using the Black-Scholes option pricing model.

12 - RELATED PARTY TRANSACTIONS

Related party transactions consist of advances from companies under common control and lease agreements recorded as liabilities.

Transactions with key management personnel

Key management of the Company, namely CEO and CFO, are members of the Board of Directors, as well of officers of the Company. Key management personnel remuneration for the nine-month period ended September 30, 2024 includes salary compensation amounting to \$141,462 (\$132,351 for the nine-month period ended September 30, 2023).

Ecolomondo Corporation

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2024 and December 31, 2023

(In Canadian dollars, except for number of shares)

(Unaudited)

13 - CLAIMS

In the normal course of operations, the Company is contingently liable with respect to litigations and claims that arise from time to time. In the opinion of management, any liability, which may arise from such contingencies, would not have a material adverse effect on the Company's consolidated financial statements. The evaluation of litigations and claims is subject to uncertainties and the ultimate future resolution of the litigations and claims which cannot be predicted.

14 - SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2024, subject to final documentation, and a cash injection of \$500,000 from the parent company, Ecolomondo Environmental (Hawkesbury) Inc. agreed in principle with EDC for a new credit facility in the amount of \$2 million to be used for capital purchases and working capital purposes.