EARTHWORKS INDUSTRIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2024 and 2023

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Earthworks Industries Inc.

Opinion

We have audited the consolidated financial statements of Earthworks Industries Inc. (the "Group"), which comprise the consolidated statements of financial position as at November 30, 2024 and November 30, 2023 and the consolidated statements of comprehensive loss (income), changes in equity (deficit), cash flows and cortina project landfill costs for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at November 30, 2024 and November 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended November 30, 2024. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of impairment indicators of the Cortina Landfill Project
As disclosed in Notes 1 and 5 to the consolidated financial statements, an impairment of $12,062,312 was recorded for the carrying value of the Cortina Landfill Project, resulting from the notice from the Interior Board of Indian Appeals decision affirming the US Bureau of Indian Affairs' cancellation of the lease held by the Company that governed the construction and operations of the Cortina Project, and the uncertainty as to the outcome of the judgment provided by the U.S. District Court of Eastern District of California in this matter. The Company recorded an impairment loss for the full carrying amount of the Cortina Landfill Project. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to the Cortina Landfill Project.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to the Cortina Landfill Project. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) significant changes with an adverse effect on the Cortina Landfill Project have taken place during the period; (ii) the lease on which the Cortina Landfill project is to be developed is terminated; (iii) the Group is unlikely to receive regulatory approval required to commence commercial use; (iv) the carrying amount of the net assets of the entity is more than its market capitalization; and (iv) sufficient data exists to indicate that the carrying amount of the Cortina Landfill Project is unlikely to be recovered in full from successful development or by sale.

Why the matter was determined to be a key audit matter
We considered this a key audit matter due to the judgments made by management in its assessment of indicators of impairment related to the Cortina Landfill Project, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management and uncertainty as to the outcome of the matter.

How the matter was addressed in our audit
We have evaluated management's assessment of impairment indicators per IAS 36 Impairment of Assets, including but not limited to:

- Obtaining an understanding of and evaluating management's basis for the impairment assessment;

- Obtaining correspondence from the Group's legal counsel;

- Obtaining and reviewing documents related to the legal proceedings;

- Reviewing the Group's determination of the recoverable amount; and

- Assessing the adequacy of the related disclosures in Note 2 and Note 5 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including

the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pejman Mahlooji.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
March 31, 2025

EARTHWORKS INDUSTRIES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at November 30, 2024 and 2023

		November 30 2024		November 30 2023
ASSETS				
Current Assets				
Cash	$	16,543	$	908,872
Accounts receivable		6,716		12,192
Prepaid expenses		284		180,757
		23,543		1,101,821
Long Term Assets				
Equipment		2,737		-
Cortina landfill project (note 5)		-		11,986,042
	$	26,280	$	13,087,863
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (note 10)	$	638,373	$	681,418
Income tax payable (note 11)		431,916		379,161
Notes payable (note 6)		1,255,394		88,747
Advances from Cortina Landfill Company (note 5)		3,812,264		2,830,610
Accrued interest on convertible loans (note 8)		496,670		-
Convertible debenture (note 7)		234,870		206,643
Derivative liability (note 7)		-		126,387
		6,869,487		4,312,966
Long-Term Liabilities				
Notes payable (note 6)		-		710,778
Accrued interest on convertible loans (note 8)		-		455,798
		6,869,487		5,479,542
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital (note 9)		27,276,805		26,622,705
Reserves (note 9)		4,628,441		4,325,441
Accumulated other comprehensive income		784,507		899,492
Deficit		(39,532,960)		(24,239,317)
		(6,843,207)		7,608,321
	$	26,280	$	13,087,863

Nature of Business, Continued Operations and Going Concern (note 1)

Subsequent Events (note 16)

Approved on behalf of the Board on March 31, 2025:

David Atkinson, Director

Giulio Bonifacio, Director

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

EARTHWORKS INDUSTRIES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (INCOME)

(Expressed in Canadian Dollars)

For the Years Ended November 30, 2024 and 2023

	Year ended November 30, 2024	Year ended November 30, 2023
Administration Costs		
Amortization	$ 778	$ -
Bank charges and interest (note 6)	110,183	46,351
Consulting fees	323,697	182,455
Directors' fees (note 10)	35,250	36,000
Management fees (note 10)	131,763	134,021
Office and administrative costs	23,559	26,924
Professional fees (note 10)	739,895	134,302
Promotion	26,737	7,119
Rent and parking	25,856	23,820
Salaries and benefits	45,525	45,828
Share-based compensation (notes 9 and 10)	45,000	218,000
Stock exchange and filing fees	37,151	29,192
Telephone and internet	5,313	6,246
Transfer agent	19,818	20,913
Travel	27,528	5,033
	1,598,053	916,204
Other loss (income)		
Impairment of Cortina landfill project (note 5)	12,062,312	-
Convertible loan interest and accretion (notes 7 and 8)	61,382	115,382
Interest on advances from Cortina Landfill Company (note 5)	858,136	221,210
Loss on modification of loan (note 7)	64,504	151,894
Loss (gain) on extinguishment of debt and related fees (note 5 and 7)	618,620	(3,933,159)
Gain on revaluation of fair value of derivative liability (note 7)	(128,139)	(116,914)
	13,536,815	(3,561,587)
Loss (Income) before income tax	15,134,868	(2,645,383)
Income tax (recovery) expense (note 11)	(12,583)	376,901
Net loss (income)	15,122,285	(2,268,482)
Other Comprehensive Income		
Exchange difference on translation of foreign operations	(114,985)	49,804
Comprehensive Loss (Income) for the year	$ 15,007,300	$ (2,218,678)
Basic and diluted (loss) income per common share (note 15)	$ (0.14)	$ 0.02

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

EARTHWORKS INDUSTRIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the Years Ended November 30, 2024 and 2023

	Year ended November 30, 2024	Year ended November 30, 2023
Operating Activities		
(Loss) income for the year	$ (15,122,285)	$ 2,268,482
Adjust for non-cash items:		
Amortization	778	-
Loss (gain) on extinguishment of debt	618,620	(4,606,407)
Gain on revaluation of fair value of derivative liability	(128,139)	(116,914)
Loss on modification of loan	64,504	151,894
Convertible loan accretion	-	71,160
Impairment of Cortina landfill project	12,062,312	-
Share-based compensation	45,000	218,000
	(2,459,210)	(2,013,785)
Changes in non-cash working capital items (note 14)	1,143,953	755,298
	(1,315,257)	(1,258,487)
Financing Activities		
Share capital issued for cash	62,142	2,400,000
Share issue costs	-	(378,068)
Notes payable received	400,000	-
	462,142	2,021,932
Investing Activities		
Equipment purchased	(3,515)	-
Landfill project expenditures	(35,699)	(63,779)
	(39,214)	(63,779)
Increase (decrease) in cash	(892,329)	699,666
Cash, beginning of year	908,872	209,206
Cash, end of year	$ 16,543	$ 908,872
Interest paid (received)	$ -	$ -
Income taxes paid (received)	$ -	$ -

Supplemental Cash Flow Information (note 14)

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

EARTHWORKS INDUSTRIES INC.

CONSOLIDATED STATEMENTS OF CORTINA PROJECT LANDFILL COSTS
(Expressed in Canadian Dollars)

For the Years Ended November 30, 2024 and 2023

	Year Ended November 30, 2024	Year Ended November 30, 2023
Cortina Landfill Project		
Project engineering	$ 18,602	$ 53,674
Consulting	4,336	-
Legal	12,761	10,105
Costs incurred during the year	35,699	63,779
Impairment of Cortina landfill project	(12,062,312)	-
Exchange adjustment	40,571	72,317
Project Costs, beginning of the year	11,986,042	11,849,946
Project Costs, end of the year	$ -	$ 11,986,042

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

EARTHWORKS INDUSTRIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
For the Years Ended November 30, 2024 and 2023

	Number of Shares		Amount		Contributed Surplus		Equity Portion of Convertible Loans		Accumulated Other Comprehensive Income - cumulative translation adjustment		Deficit		Total
Balance, November 30, 2022	94,310,832	$	23,333,473	$	3,817,842	$	289,599	$	849,688	$	(25,907,499)	$	2,383,103
Other comprehensive (loss) income	-		-		-		-		49,804		-		49,804
Shares issued for cash	12,000,000		2,400,000		-		-		-		-		2,400,000
Shares issued for debt	3,335,000		1,267,300		-		-		-		(600,300)		667,000
Shares issued for finance fee	450,000		90,000		-		-		-		-		90,000
Share issue costs	-		(468,068)		-		-		-		-		(468,068)
Share-based compensation	-		-		218,000		-		-		-		218,000
Net loss for the year	-		-		-		-		-		2,268,482		2,268,482
Balance, November 30, 2023	110,095,832		26,622,705		4,035,842		289,599		899,492		(24,239,317)		7,608,321
Other comprehensive (loss) income	-		-		-		-		(114,985)		-		(114,985)
Shares issued for warrants exercised	207,140		62,142		-		-		-		-		62,142
Shares issued for settlement of debt	2,887,600		591,958		258,000		-		-		(171,358)		678,600
Share-based compensation	-		-		45,000		-		-		-		45,000
Net loss for the year	-		-		-		-		-		(15,122,285)		(15,122,285)
Balance, November 30, 2024	113,190,572	$	27,276,805	$	4,338,842	$	289,599	$	784,507	$	(39,532,960)	$	(6,843,207)

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

1 Nature of Business, Continued Operations and Going Concern

Earthworks Industries Inc. (the "Company") is incorporated under the laws of British Columbia, Canada and management has determined that the Company is in the development stage based on the fact it has no operations, no significant revenues and has not completed the landfill project. Its office is located at Suite 615, 800 West Pender Street, Vancouver, BC V6C 2V6.

The Company has completed an environmental impact study of a landfill project through its wholly-owned subsidiary, Cortina Integrated Waste Management Inc. ("CIWM") and received a Record of Decision to approve its lease to construct and operate the site from the United States Department of the Interior - Bureau of Indian Affairs ("BIA") in 2000. Final approval of the lease was issued in January 2007. Notice of termination of this lease was given by the BIA on August 19, 2013. The Company filed and, on October 29, 2015, succeeded in its Appeal to the Interior Board of Indian Affairs ("IBIA"). Another notice of termination of this lease was issued again by the BIA on March 1, 2019. The Company received a notice from the IBIA dated June 27, 2024, which affirmed the March 2019 decision of the BIA. The Company, though it's U.S. council, filed a complaint in the U.S District Court for the Eastern District of California challenging the Order of the IBIA, purporting to cancel the federally approved lease between the Company's wholly owned subsidiary, CIWM and the Kletsel Dehe Wintun Nation of the Cortina Rancheria, California (the "Kletsel Dehe Wintun Nation"). The Kletsel Dehe Wintun Nation that owns the land subject to the Cortina lease, has intervened in the case and is seeking an award of its cost of suit incurred in defense of the action. Due to the uncertainty involving the outcome of the complaint and resulting judgement by the government, based on the underlying uncertainty, the Company recorded an impairment charge of $12,062,312 of its Cortina project as at November 30, 2024 (see note 5).

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The establishment of operations by the Company and the recoverability of the amount shown for the landfill project is dependent upon the ability of the Company to obtain necessary financing, and maintaining the lease to construct and operate its site in good standing to complete the development of the landfill operation and commence future profitable operations. Management will pursue future equity financings and continued loans from related and other parties. The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, tariffs, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the consolidated financial statements.

The Company is a party to an historical debt agreement which is significant to the Company and has been amended - see note 5. During the years ended November 30, 2024 and 2023 the agreement was amended as follows:

On March 13, 2023, September 19, 2023, October 10, 2023 and October 15, 2023 the Company agreed to amend the Settlement Agreement (as defined in note 5) and pursuant to those amendments, the Company exercised its option to buy out the existing US$5,909,880 loan from North Bay for US$2,500,000. The Company will also repay US$150,000 borrowed from North Bay under a separate loan agreement dated September 27, 2022 as part of the final payment (note 7). For accounting purposes the amendments entered into on March 13, 2023 and October 10, 2023 represented a significant change in the terms of the Settlement Agreement and were treated as extinguishments of the existing liabilities and the execution of new agreements. See note 5 for details of the amended Settlement Agreement.

On April 10, 2024 and October 27, 2024, the Company agreed to amend the Settlement Agreement (as defined in note 5) and pursuant to those amendments, the Company repaid US$500,000 through the issuance of units (note 9) and further extended the maturity date of the loan. For accounting purposes the October 27, 2024 amendment represented a significant change in the terms of the Settlement Agreement and was treated as extinguishments of the existing liabilities and the execution of new agreements. See note 5 for details of the amended Settlement Agreement.

2 Material Accounting Policies

a) Basis of Presentation

These consolidated financial statements have been prepared on the basis of IFRS that are effective for the Company's reporting year ended November 30, 2024.

These consolidated financial statements have been prepared on a historical basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Consolidation of Financial Statements

These consolidated financial statements include the accounts of the Company and CIWM, a subsidiary incorporated in the State of California on July 19, 1994. A wholly-owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. References to "the Company" include Cortina Integrated Waste Management, Inc. intercompany balances and transactions have been eliminated upon consolidation.

c) Financial Instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit and loss ("FVTPL").

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company measures its cash at amortized cost.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other assets are subsequently measured at FVTPL.

2 Material Accounting Policies (continued)

c) Financial Instruments (continued)

The Company does not have any financial assets measured at FVOCI or FVTPL.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, notes payable, advances from Cortina Landfill Company, accrued interest on convertible loans and convertible debenture are subsequently measured at amortized cost, using the effective interest method. The Company's derivative liability is carried at FVTPL.

IFRS 7, Financial Instruments Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

The Company's financial instruments include: cash, accounts payable and accrued liabilities, notes payable, derivative liabilities, accrued interest on convertible loans, convertible debenture and advances from Cortina Landfill Company. The carrying value of the financial instruments approximates their fair values.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any 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 the group of financial assets.

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

When the Company extinguishes convertible debentures before maturity through early redemption or repurchase where the conversion option is unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of settlement. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with the method used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued. The amount of gain or loss relating to the early redemption or repurchase of the liability component is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

In some instances, financial instruments may be determined to be hybrid instruments which can contain a liability and a derivative liability. In these scenarios, the derivative liability is measured first at inception at fair value with any residual amount assigned to the liability component. If the hybrid instrument also contains an equity component, the liability and derivative liability are both measured at inception at fair value with any residual assigned to the equity component. Transaction costs are allocated proportionately among the liability, derivative liability and equity components.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the final asset and substantially all the risks and rewards of ownership to another entity.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Extinguishment and Modification of Debt

Long-term debt is initially recognized at the fair value of the consideration received, net of transaction costs. It is subsequently measured at amortized cost using the effective interest method.

When the debt is amended, if the modification is not substantially different, it will be considered to be a modification, with any costs or fees incurred adjusting the carrying amount of the debt and amortized over the remaining term of the debt. If the modification is determined to be substantially different based on qualitative factors or when the discounted present value of the cash flows under the new terms discounted using the original effective interest rate is at least ten percent different from the discounted present value of the remaining cash flows of the original debt, the modification is accounted for as an extinguishment of the debt with a gain/loss to the carrying amount of the debt being recorded in profit or loss. Also, the transaction costs related to the debt extinguishment are recorded in profit or loss.

d) Cortina Landfill Project Costs

The Company capitalizes all costs related to the project until such time as the project is put into commercial use, sold or abandoned. If commercial use commences, the capitalized costs will be amortized on a units of production basis. If the project is abandoned or terminated the related capitalized costs and all future costs will be written-off to profit or loss.

The amounts shown for the Cortina Landfill Project represent costs to date and are not intended to reflect present or future values. The actual amounts to be recovered from the project are uncertain and not determinable until the project is completed. Changes in future conditions could require a material change in the recognized amount.

2 Material Accounting Policies (continued)

e) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset may be implicitly or explicitly specified in a contract, but must be physically distinct, and must not have the ability for substitution by a lessor. The Company has the right to control an identified asset if it obtains substantially all of its economic benefits and either predetermines or directs how and for what purpose the asset is used.

At lease commencement, the Company recognizes a right-of-use asset and a lease obligation. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments, less any lease incentives receivable;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

f) Earnings (Loss) Per Share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

g) Foreign Currency Translation

The reporting currency of the Company is the Canadian dollar.

The functional currency of each of the parent company and its subsidiary is measured using the functional currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars, which is the parent company's functional and presentation currency. The functional currency of the subsidiary is the United States dollar.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items valued at their fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise.

Parent and Subsidiary Companies (Group):

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at the reporting date

- income and expenses are translated at monthly average exchange rates

Exchange differences arising on translation of foreign operations are transferred directly to exchange difference on translation of foreign operations in other comprehensive loss. These differences are recognized in profit or loss in the period in which the operation is disposed of.

2 Material Accounting Policies (continued)

h) Share-Based Compensation

The Company has a stock option plan that allows certain officers, directors, consultants, and related company employees to acquire shares of the Company. The fair value of the options is recognized as an expense with a corresponding increase in equity.

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

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

Share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital. In addition, the related share based payments originally recorded as contributed surplus are transferred to share capital.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where options or warrants have gone unexercised, the amounts previously recorded in reserves remain in reserves.

i) Income Taxes

Income tax 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 other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

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

Deferred tax is recognized using the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for operating losses or tax credits. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

j) Valuation of Equity Units Issued In Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

k) Material Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting 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 factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

- the inputs used in accounting for share-based compensation;
- the inputs used in measuring the liability portion of the convertible debt;
- the inputs used in measuring the derivative liability; and
- the provision for income tax payable.

Critical Judgments:

Critical judgments include the following:

- the analysis of the functional currency for each entity of the Company . In concluding that the Canadian dollar and the US dollar are the functional currencies of the parent and its subsidiary respectively, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates.
- the assessment of the Company's ability to continue as a going concern (note 1); and
- the assessment of impairment indicators and resulting impairment on the Cortina Landfill Project.

2 Material Accounting Policies (continued)

l) Long-lived assets

At the end of each reporting period the carrying value of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, 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 to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell or value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

m) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation or environmental costs arises when environmental disturbance is caused. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the landfill operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate net present value. These costs are charged against profit or loss over the economic life of the related asset through amortization using either the unit of production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital cost of the related assets, in which case the capitalized cost is reduced to $nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligations as the disturbance to date is insignificant.

n) Standards, Amendments and Interpretations Newly Issued and Not Yet Effective

Certain new standards, interpretations, and amendments to existing standards have been issued by the IASB or IFRC that are mandatory for accounting years beginning on or after January 1, 2023. New accounting pronouncements that are not applicable or are not consequential to the Company have been excluded in the preparation of these consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The implementation of this amendment did not have a material impact on the Company.

Amendments to IAS 8 – Definition of Accounting Estimates

The amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The implementation of this amendment is not expected to have a material impact on the Company.

Amendments to IAS 1 - Classification of Liabilities as Current and Non-current

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2024. The implementation of this amendment is not expected to have a material impact on the Company.

Amendments to IFRS 18 - Presentation and Disclosure of Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1) Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2) Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3) Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently assessing the potential impact the amendment will have on the Company.

3 Financial Instruments and Financial Risk Management

a) Financial Instruments

The Company's financial instruments carried at FVTPL consists of derivative liabilities. The Company has no financial instruments carried at FVTOCI. The fair value of the Company's derivative liabilities includes inputs which are not observable and is considered a level 3 financial instrument in the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during the year.

b) Financial Risk Management

(i) Overview:

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(ii) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At November 30, 2024, substantially all of the Company's cash was held at a recognized Canadian National financial institution. As a result, the Company was exposed to all of the risks associated with that institution. The Company has no accounts receivable at the current year end and as the Goods and Services tax recoverable is recoverable from the federal Government of Canada, the Company does not currently face significant credit risk.

(iii) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company regularly reviews its current obligations, and to the extent that the Company may not have sufficient liquidity to meet these obligations, management considers securing additional funds through equity or debt transactions. As at November 30, 2024, the Company had a cash balance of $16,543 (November 30, 2023 - $908,872) available to settle current liabilities of $6,869,487 (November 30, 2023 - $4,312,966). The Company relies on external financing to generate sufficient operating capital and management believes it will be able to raise any required funds in the short term.

(iv) Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments.

The Company is exposed to currency risk due to its United States operations. To this point in time the Company does not hedge the risk related to the fluctuations in the exchange rate between the U.S. and Canadian dollar as it relates to the Company's obligations. Management may decide to consider hedging the risk in the future.

		November 30, 2024		November 30, 2023
Cash - U.S. dollars	$	666	$	5,203
Accounts payable and accrued liabilities - U.S. dollars	$	(109,187)	$	(14,953)
Income tax payable - U.S. dollars	$	(307,283)	$	279,000
Advances from Cortina Landfill Company and accrued interest - U.S. dollars	$	(2,712,197)	$	(2,082,862)
Convertible debenture - U.S. dollars	$	(167,096)	$	(152,055)

U.S. Dollars are translated at Cdn $1.4056 at November 30, 2024 (2023 - Cdn $1.3590).

At November 30, 2024, if the U.S. dollar had strengthened 10 percent against the Canadian dollar with all other variables held constant, the comprehensive loss for the year would have been $463,000 higher (2023 - $356,000). Conversely, if the U.S. dollar had weakened 10 percent against the Canadian dollar with all other variables held constant, the comprehensive loss would have been $463,000 lower (2023- $356,000).

The Company is subject to interest rate risk on its notes payable as the interest is tied to Royal Bank of Canada's prime rate ("Prime").

(v) Fair Value of Financial Instruments:

The carrying values of cash, accounts payable and accrued liabilities, advances from Cortina Landfill Company, notes payable, convertible debenture and accrued interest on convertible loans approximate their fair values due to the relatively short periods to maturity and terms of these financial instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

4 Capital Structure and Management

The Company manages its capital to maintain its ability to continue as a going concern, to meet its financial obligations and to provide benefits to its shareholders and other stakeholders. The capital structure of the Company consists of shareholders' equity (deficit) comprised of issued capital, equity portion of convertible loans, contributed surplus, accumulated other comprehensive income and deficit.

The Company manages its capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company, with the approval of the Board of Directors, will continue to balance its overall capital structure through new share or debt issuances or by other activities as deemed appropriate.

There were no changes to the Company's approach to capital management during the years ended November 30, 2024 and 2023. The Company is not subject to externally imposed capital requirements.

5 Cortina Landfill Project

The Company had negotiated a Business Lease and completed an Environmental Impact Statement for an integrated waste management project located on the Cortina Indian Rancheria in Colusa County, California. The BIA issued final approval of the lease in January 2007, and the Wintun Environmental Protection Agency, Board of Commissioners, issued the Authority to Construct in October 2008.

The Company leased a portion of the land located within the Cortina Indian Rancheria in Colusa County, California, for the purpose of developing and operating a sanitary landfill and materials recovery facility for an initial term of twenty-five years (with a renewal term of an additional twenty-five years), which commenced on the date the lease was approved for consideration of:

(i) $10,000 U.S. payable within 21 days of the lease being approved by the BIA;

(ii) $15,000 U.S. per month commencing the first month following the month in which commercial production commences, with monthly payments being indexed on an annual basis according to increases in the Cost of Living Index as published by the United States Government; and

(iii) Fees equal to 3% of gross revenue on the first 150,000 tonnes of waste received in a fiscal year, to be calculated and paid monthly, and 5% of gross revenue for waste in excess of 150,000 tonnes received in a fiscal year.

5 Cortina Landfill Project (continued)

The Company also agreed to pay all of the Cortina Tribe's reasonable attorney fees and costs incurred by tribal officials and attorneys in carrying out their obligations under this agreement.

In April 2007, an agreement was signed to sell 50% of the issued shares of "CIWM", the Company's wholly-owned subsidiary and the owner and developer of the project, to the Cortina Landfill Company (CLC), a 100% owned subsidiary of North Bay Corporation ("North Bay") of Santa Rosa, California. On December 23, 2009, North Bay and CLC notified Earthworks that they would not be exercising their option to acquire 50% of the issued shares of CIWM nor continue funding the development of its waste management facility in Colusa County, California. Subsequently, a number of agreement amendments and extensions ("Settlement Agreement") were agreed to (in U.S. dollars).

On October 26, 2008, the Wintun Environmental Protection Agency issued the Authority to Construct for the Class III Municipal Solid Waste Landfill portion of the project.

On August 19, 2013, the Company received a Notice of Termination of its lease on the Cortina Rancheria. On September 16, 2013, an appeal was filed with the Interior Board of Indian Appeals (IBIA) challenging the validity and sufficiency of the reasons for the termination by the Bureau of Indian Affairs. The Company filed its required opening brief of the appeal on February 3, 2014. On October 29, 2015, the IBIA, U.S. Department of the Interior, issued its Order reversing the decision of the Regional Director.

The Company received a second notice dated March 1, 2019 from the US Bureau of Indian Affairs ("BIA") advising that the Lease held by the Company with the Kletsel Dehe Band of Wintun Nation has been terminated. The Company believes that the allegations are unfounded and will not be upheld. The Company received a notice from the IBIA dated June 27, 2024, which affirmed the March 1, 2019 decision of the BIA, canceling the lease owned by CIWM that governed the construction and operations of CIWM's integrated waste management facility on tribal lands. CIWM has challenged the IBIA order in the U.S. District Court of Eastern District of California, against the United Statements Department of the Interior Challenging IBIA's unlawful affirmation of cancelation of the Lease. The Kletsel Dehe Wintun Nation that owns the land subject to the Cortina lease, has intervened in the case and is seeking an award of its cost of suit incurred in defense of the action. Based on the underlying uncertainty of the outcome of the judgement to be provided by the U.S. District Court, the Company recorded an impairment charge of $12,062,312 on the Cortina project as at November 30, 2024.

Cancellation and Replacement of Settlement Agreement

On March 13, 2023, September 19, 2023, October 10, 2023 and October 15, 2023 the Company agreed to amend their loan agreement with North Bay (the "Settlement Agreement") and pursuant to those amendments, the Company exercised its option to buy out the existing US$5,909,880 loan from North Bay for US$2,500,000. The Company will also repay US$150,000 borrowed from North Bay under a separate loan agreement dated September 27, 2022 as part of the final payment (note 7). For accounting purposes the October 27, 2024 amendment entered into during the year end November 30, 2024 represented a significant change in the terms of the Settlement Agreement and was treated as an extinguishment of the existing liability and the execution of new a agreement. As a result of the substantive modifications of the terms of the loan with North Bay during the year, the previously recorded liability was derecognized and a new liability was recognized resulting in a loss on extinguishment of $US500,000 (CAD$681,800) (2023 - US$2,911,510 and CAD$3,933,159).

The revised terms of the Settlement Agreement as of November 30, 2024 are as follows:

(i) The total US$2,150,000 payment will be made on or before November 15, 2025;

(ii) The Company was required to issue to North Bay 3,335,000 units of the Company at a deemed value of US$500,000 (CAD$678,600) to reduce the payout amount to US$2,150,000. Each unit consisting of 1 common share of the Company and one common share purchase warrant exercisable at CAD$0.40 until October 30, 2025. During the year ended November 30, 2024, 2,887,600 common shares were issued at a fair value of US$432,339 (CAD$591,958) and 2,887,600 warrants were issued at a fair value of US$188,431 (CAD$258,000), resulting in a loss on debt settlement of US$120,770 (CAD$171,358) recorded into deficit;

(iii) Interest will accrue on the remaining balance of principal and interest outstanding as of March 13, 2023, based on an effective interest rate of 29.55% (calculated based on 10% of the $5,909,881 outstanding principal and interest of the debt with North Bay prior to the exercise of the buy out option and the Settlement Agreements): and

(iv) Any failure by the Company to make payments under the Settlement Agreement will be deemed a breach of the Settlement Agreement, pursuant to which share certificates representing ownership of CIWM were transferred into an escrow account as security for the loan, and those share certificates will be irrevocably transferred to North Bay.

Advances from CLC		November 30, 2024		November 30, 2023
Beginning of year		$ 2,830,610		$ 7,873,802
Principal and accrued interest extinguished	(2)	(2,045,400)	(1)	(7,983,657)
Addition	(2)	2,727,200		3,377,250
Principal and accrued interest extinguished		-		(3,377,250)
Addition		-		3,377,250
Principal, interest and fees paid		(678,600)		(667,000)
Accrued interest		858,136		221,210
Foreign exchange adjustment		120,318		9,005
Balance, end of year		3,812,264		2,830,610
Less: Current portion		3,812,264		2,830,610
Non-current portion		$ -		$ -

(1) As part of the March 13, 2023 amendment the Company derecognized the previous liability of US$5,909,880 (CAD$7,983,657) and recognized a new liability of US$2,500,000 (CAD$3,377,250). As part of the October 10, 2023 amendment the Company derecognized the previous liability of US$2,500,000 (CAD$3,377,250) and recognized a new liability of US$2,500,000 (CAD$3,377,250). The extinguishments resulted in a reduction of the related liability of US$3,409,880 (CAD$4,606,407). Additionally, the Company paid a total of US$498,370 (CAD$673,248) in related fees, resulting in a gain on extinguishment of debt and related fees of US$2,911,510 (CAD$3,933,159).

(2) As part of the October 27, 2024 amendment, the Company derecognized the previous liability of US$1,500,000 (CAD$2,045,400) and recognized a new liability of US$2,000,000 (CAD$2,727,200), resulting in a loss on extinguishment of debt of US$500,000 (CAD$681,800).

6 Notes Payable

		November 30, 2024	November 30, 2023
Notes payable, unsecured bearing interest at Prime + 2% per annum and matures December 31, 2024.		$ 94,050	$ 74,955
Notes payable, unsecured bearing interest at Prime + 3% per annum and matures December 31, 2024 (see note 10).		677,262	635,823
Notes payable, unsecured bearing interest at Prime + 2% per annum that have matured. (Agreement dates: March 4, 2013 - November 13, 2014).		79,907	88,747
Noted payable, unsecured bearing interest at 10% per annum and matures October 22, 2025.	(1)	404,175	-
		1,255,394	799,525
Current portion of notes payable		(1,255,394)	(88,747)
Non current portion		$ -	$ 710,778

(1) During the year ended November 30, 2024, the Company entered into a note payable agreement for a loaned amount of $400,000 maturing on October 22, 2025 and interest shall accrue at 10% per annum.

The lender may, if the Company announces a private placement of its common shares prior to maturity date, elect to have all or a portion of the principal and fee applied to the purchase of shares in the private placement at the same net (after commissions being paid) price being charged by the Company to other investors. During the year ended November 30, 2024, the Company accrued interest of $55,869 (2023 - $44,835).

7 Convertible Debenture

On October 20, 2021, the Company entered into a US$100,000 ($128,926) convertible debenture maturing on March 31, 2022. On May 24, 2022, the Company entered into an additional US$50,000 ($64,740) convertible debenture maturing on October 31, 2022. As part of the Settlement Agreement during the year ended November 30, 2024 (note 5), the maturity date was extended to November 15, 2025, representing a significant change in the terms of the Settlement Agreement, this amendment was treated as a extinguishment of the existing liability and the execution of a new agreement. As part of the October 27, 2024 amendment the Company derecognized the previous derivate liability of US$46,333 (CAD$63,180) and recognized a new derivate liability of US$nil (CAD$nil), with the residual value being assigned to the host debt. This resulted in a gain on extinguishment of US$46,333 (CAD$63,180). The convertible debenture accrue interest at 10% per annum, resulting in interest for the year of US$15,041 (CAD$20,510), is convertible into common shares of the Company at the lowest discounted price allowable under the TSX Venture Exchange, are unsecured, and are not convertible until maturity.

Due to the terms of the agreement the convertible debenture is convertible into an unknown number of shares at an unknown value which breaks the fixed for fixed criterium. Upon initial recognition of the convertible debentures, the Company bifurcated the convertible debentures into a host liability and a derivative liability. The derivative liability was valued first using the Black-Scholes Pricing Model with the residual value being allocated to the host debt. Subsequently, it was determined that the fair value of the derivative liability was $nil due to the cancelation of the Company's lease for the Cortina Landfill Project (see note 5).

		Host Liability	Derivate Liability
November 30, 2022:		$ 144,432	$ 73,680
Accretion:		71,160	-
Interest:		6,779	-
Gain on fair value of derivative liability:	(1)	-	(116,914)
Gain (loss) on modification of debt:	(2)	(16,969)	168,863
Currency translation:		1,241	758
November 30, 2023:		206,643	126,387
Interest:		20,510	-
Gain on extinguishment:		-	(63,180)
Gain on fair value of derivative liability:	(1)	-	(128,139)
Loss on modification of debt:	(2)	-	64,504
Currency translation:		7,717	428
November 30, 2024:		$ 234,870	$ -

(1) The following weighted average Black-Scholes Pricing Model inputs were used in the change in the fair value of the derivative liability; (1) share price of US$0.11 (2023 - US$0.18), (2) exercise price of US$0.08 (2023 - US$0.13), (3) estimated annual volatility of 144% (2023 - 156%), (4) Risk-free interest rate of 3.55% (2023 - 4.69%), (5) expected life of 0.04 years (2023 - 0.10 years), and (6) 0% expected dividend yield. Annualized volatility is estimated using the historical stock price of the Company.

(2) As part of the Settlement Agreement the Company was required to revalue the derivative liability using the Black-Scholes Pricing Model on amendment dates. The following weighted average Black-Scholes Pricing Model inputs were used in calculating the fair value of the derivative liability on modification date: (1) share price of US$0.17 (2023 - US$0.14), (2) exercise price of US$0.13 (2023 - US$0.10), (3) estimated annual volatility of 130% (2023 - 128%), (4) Risk-free interest rate of 3.55% (2023 - 4.34%), (5) expected life of 0.61 (2023 - 0.42 years), and (6) 0% expected dividend yield. Annualized volatility is estimated using the historical stock price of the Company.

8 Accrued Interest on Convertible Loans

At November 30, 2024 and 2023 the principal obligation related to a historical debit instrument has been paid and unpaid accrued interest of $496,670 (2023 - $455,798) remains unpaid. Interest accrues at 8.5% per annum. The accrued interest balance is due on demand.

	November 30, 2024	November 30, 2023
Balance of accrued interest, beginning of year	$ 455,798	$ 418,355
Accrued interest	40,872	37,443
Payments	-	-
Balance of accrued interest, end of year	$ 496,670	$ 455,798
Current portion	$ (496,670)	$ -
Non current portion	$ -	$ 455,798

9 Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Transactions for the Issue of Share Capital during the year ended November 30, 2024:

Transaction	Date of Issue	Shares issued		Amount	Warrants issued
Shares issued	30-Jan-24	207,140	(1)	$ 62,142	-
Shares issued	24-Jun-24	2,887,600	(2)	591,958	2,887,600
		3,094,740		$ 654,100	2,887,600

(1) In the month of January 2024, the Company issued 207,140 shares at a price of $0.30 per share on the exercise of 207,140 share purchase warrants. Proceeds to the Company were $62,142.

(2) The Company issued 2,887,600 units to North Bay per an agreement to reduce the payout amount by US$500,000 (note 5).

Transactions for the Issue of Share Capital during the year ended November 30, 2023:

Transaction	Date of Issue	Shares issued		Amount	Warrants issued
Units issued	15-May-23	4,500,000	(1)	$ 900,000	4,500,000
Units issued	2-Nov-23	450,000	(2)	$ 90,000	450,000
Units issued	27-Nov-23	3,335,000	(3)	$ 666,700	3,335,000
Units issued	2-Nov-23	7,500,000	(2)	$ 1,500,000	7,500,000
		15,785,000		$ 3,156,700	15,785,000

(1) On May 15, 2023 the Company issued 4,500,000 units at a price of $0.20 per unit consisting of 2,500,000 shares and 4,500,000 warrants which are exercisable at $0.40 until May 15, 2024. Proceeds to the Company were $900,000.

(2) The Company completed a brokered offering through Haywood Securities ("Haywood Offering") for 7,500,000 units (the "Units") of the Company at a price of C$0.20 per Unit for gross proceeds to the Company of C$1,500,000. Each Unit will consist of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at a price of C$0.40, subject to adjustment in certain events, for a period of 24 months following the closing date of the Offering (the "Closing Date") which occurred on November 2, 2023. Upon closing of the Offering, the Company paid to the Agents: (i) a C$90,000 cash commission; and (ii) 450,000 non-transferrable broker warrants of the Company exercisable at any time prior to the date that is 24 months from the Closing Date to acquire 450,000 Units at an exercise price of C$0.20 which is valued at $90,000. The Company paid an additional $288,068 in cash share issuance costs.

(3) The Company issued 3,335,000 units to North Bay per an agreement to reduce the payout amount by US$500,000 (note 5).

9 Share Capital (continued)

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted under TSX Venture Exchange policies), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted under the Plan vest immediately, except for options granted to consultants conducting investor relations activities, which become vested with the right to exercise one-fourth of the options upon the conclusion of each three month period subsequent to the grant date.

A summary of the status of the Company's stock option plan as at November 30, 2024, and November 30, 2023, and changes during the years then ended is as follows:

	2024				2023			
	Options		Weighted Average		Options		Weighted Average	
Options Outstanding, beginning of year	6,950,000		$	0.17	5,850,000		$	0.15
Cancelled	(250,000)	(3)	$	0.15	-		$	-
Granted	150,000	(4)	$	0.35	1,100,000	(1) (2)	$	0.27
Options Outstanding, end of year	6,850,000		$	0.17	6,950,000		$	0.17

(1) On June 1, 2023 the Company granted 250,000 share purchase options at $0.20 per share to an advisor. On June 26, 2023 the Company granted 300,000 share purchase options at $0.35 per share to a service provider and advisor. The options will be exercisable until July 31, 2025. These options vested immediately and are valued at $113,500.

(2) On November 16, 2023 the Company granted 550,000 share purchase options at $0.25 per share to two advisors and a director. The options will be exercisable until November 30, 2025. These options vested immediately and are valued at $104,500.

(3) On February 25, 2024, 250,000 options were cancelled at an exercise price of $0.15.

(4) On January 22, 2024, the Company granted 150,000 share purchase options at $0.35 per share to the CFO. The options will be exercisable until January 23, 2026. These options vested immediately and are valued at $45,000.

The weighted average remaining life on the options is 2.34 years (2023 - 3.38 years).

At November 30, 2024 the Company has outstanding stock options to acquire 6,850,000 shares of the Company's capital stock as follows:

Number of Options	Exercise Price ($)	Expiry Date
5,600,000	0.15	July 31, 2027
250,000	0.20	July 31, 2025
300,000	0.35	July 31, 2025
550,000	0.25	November 30, 2025
150,000	0.35	January 23, 2026
6,850,000	0.17	

At November 30, 2023 the Company has outstanding stock options to acquire 6,950,000 shares of the Company's capital stock as follows:

Number of Options	Exercise Price ($)	Expiry Date
5,250,000	0.15	July 31, 2027
600,000	0.15	July 31, 2027
250,000	0.20	July 31, 2025
300,000	0.35	July 31, 2025
550,000	0.25	November 30, 2025
6,950,000	0.17	

The fair value of the options granted were estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024		2023	
Share price	$	0.45	$	0.30
Exercise price	$	0.35	$	0.27
Estimated annual volatility		121.00%		121.00%
Risk-free interest rate		4.03%		4.45%
Expected life (years)		2.01		2.09
Expected dividend yield		0%		0%

Annualized volatility is estimated using the historical stock price of the Company.

Reserves

Reserves are comprised of the fair value of stock option grants and warrants issued prior to exercise and the equity portion of convertible loans.

Escrow Shares

The Company has no outstanding escrow shares.

Warrants

	2024	2023
Balance, beginning of year	21,603,900	7,950,900
Issued	2,887,600	15,785,000
Expired	(699,260)	(2,132,000)
Exercised	(207,140)	-
Balance, end of year	23,585,100	21,603,900
Weighted Avg. Exercise Price	$ 0.38	$ 0.37

A total of 699,260 warrants expired during the year ended November 30, 2024. The weighted average share price on the date of warrants exercised was $0.41.

At November 30 2024, the Company had warrants outstanding as follows:

Number of Warrants	Exercise Price $	Expiry Date	
4,500,000	0.40	May 18, 2025	(2)
2,300,000	0.30	September 21, 2025	(3)
2,612,500	0.30	December 3, 2025	(4)
3,335,000	0.40	October 30, 2025	
7,950,000	0.40	November 2, 2025	
2,887,600	0.40	October 30, 2025	(1)
23,585,100			

9 Share Capital (continued)

Warrants

(1) 2,887,600 warrants were issued to North Bay in exchange for a future reduction to the payout amount (note 5).
(2) The expiry date of these warrants were extended during the year from May 18, 2024 to May 18, 2025.
(3) The expiry date of these warrants were extended during the year from September 21, 2024 to September 21, 2025.
(4) The expiry date of these warrants were extended during the year from December 4, 2024 to December 3, 2025.

At November 30, 2023, the Company had warrants outstanding as follows:

Number of Warrants	Exercise Price $	Expiry Date	
4,500,000	0.40	May 18, 2025	(3)
635,000	0.35	February 28, 2024	
2,571,400	0.30	September 21, 2024	
2,612,500	0.30	December 3, 2024	
3,335,000	0.40	October 30, 2025	(4)
7,950,000	0.40	November 2, 2025	(5)
21,603,900			

(3) The Company issued 4,500,000 warrants exercisable at $0.40 pursuant to a units offering. On February 20, 2023 these warrants were extended to May 18, 2025.
(4) 3,335,000 warrants were issued to North Bay in exchange for a future reduction to the payout amount (note 5).
(5) The Company issued 450,000 warrants exercisable at $0.40 to a broker as a finance fee. The Company issued an additional 7,500,000 warrants exercisable at $0.40 pursuant to a units offering.

10 Related Party Transactions

a) Management fees totaling $131,763 (2023 - $134,021) were incurred with David Atkinson, CEO/President of the Company.
b) Directors' fees totaling $nil (2023 - $9,000) were incurred with a corporation controlled by a Director of the Company.
c) Directors' fees totaling $35,250 (2023 - $27,000) were incurred with Directors of the Company.
d) Legal fees totaling $19,283 (2023 - $42,095) were incurred with a law firm within which a personal law corporation controlled by the Secretary of the Company is a principal.
e) Accounting fees totaling $57,700 (2023 - $32,400) were incurred with a Director and Officer of the Company.
f) During the current year interest totaling $68,384 (2023 - $37,443) was accrued on unpaid accrued interest to a director of the Company (note 8).
g) Notes payable issued for advances by a Director of the Company amount to $494,259 (2023 - $462,824). During the current year, interest totaling $27,512 (2023 - $27,520) was accrued on this debt (note 6).
h) Notes payable issued for advances to a company related to a Director of the Company amount to $496,670 (2023 - $455,798). During the current year, interest totaling $40,872 (2023 - $37,446) was accrued on this debt (note 6).
i) Share-based compensation totaling $45,000 (2023 - $28,500) was incurred with related parties.

These transactions have been in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Key Management Personnel Compensation

	November 30, 2024	November 30, 2023
Directors' fees	$ 35,250	$ 36,000
Professional fees	57,700	32,400
Management fees	131,763	134,021
Share-based compensation	45,000	28,500
	$ 269,713	$ 230,921

The amounts due to related parties included in accounts payable and accrued liabilities were payable to directors and officers. These balances are due on demand, have no specific terms of repayment, are non-interest bearing and unsecured unless otherwise stated.

	November 30, 2024	November 30, 2023
Due to the CEO, President and Director	$ 122,717	$ 126,467
Due to Current and Former Directors	251,250	205,500
Due to a law firm within which a personal law corporation controlled by the Secretary of the Company is a principal	4,344	38,097
	$ 378,311	$ 370,064

11 Income Taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial tax rate to loss before taxes as follows:

Year ended	November 30, 2024	November 30, 2023
Net loss for the year before tax	$ (15,134,868)	$ 2,645,383
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated tax expenses (recovery)	(4,086,000)	714,000
Tax benefits not recognized	(6,000)	59,000
Non-deductible items for tax purposes	-	(126,000)
Difference in tax rates in other jurisdictions	(595,000)	31,000
Increase (decrease) in unrecognized tax benefits	4,674,000	(301,000)
Current and deferred income tax	$ (13,000)	$ 377,000

Income tax expense consists of:	November 30, 2024	November 30, 2023
Current income tax	$ (13,000)	$ 377,000
Deferred income tax	-	-
	$ (13,000)	$ 377,000

As at November 30, 2024 the Company has an income tax payable balance of $431,916 (2023 - $379,161), with the increase attributable to related interest accruals in the amount of $51,175 (2023 - $nil).

11 Income Taxes (continued)

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized.

	November 30, 2024	Expiry	November 30, 2023	Expiry
Non-capital loss	$ 11,614,000	2026 - 2044	$ 9,202,000	2026 - 2043
Capital loss	87,000	none	87,000	none
Research and development	17,120,000	none	4,145,000	none
Equipment	66,000	none	65,000	none
Note payable	374,000	none	342,000	none
Convertible debt	-	none	126,000	none
Share issue cost	294,000	2025 - 2028	398,000	2024 - 2027
Net deferred tax assets	$ 29,555,000		$ 14,365,000	

12 Segmented Information

The Company's activities are all in one industry segment of waste disposal.

All of the Company's long term assets are located in the United States.

13 Bonus Commitment

In the case of:

(i) the sale of 50.1% or more of CIWM; or

(ii) the sale of 50.1% or more of CIWM's Cortina Landfill Project; or

(iii) the sale of 50.1% or more of the Company's assets; or

(iv) the acquisition by new principals, or a group more than 50% of the principals of which are not directly principals of the Company, of 33.34% or more of the issued shares of the Company; or

(v) a de facto change of control of the Company and its management to a group the majority of which are not principals of the Company and which does not include the current President of the Company.

A cash bonus of $1 million shall become payable on or before the 60th day following any of the change of control events described above, as follows:

(i) 60% to a corporation controlled by the President of the Company;

(ii) 20% to be divided evenly between and paid to the other than sitting Directors of the Company; and

(iii) the remaining 20% will be divided and allocated between the then sitting Directors and others who have contributed to the success of the Company, excluding the current President, as determined by the Board of Directors.

In addition, the bonus shall become payable within 180 days of commercial production if the project is completed and put into commercial production by and under the control of the Company.

14 Supplemental Cash Flow Information

Changes in non-cash working capital for the years ended November 30, 2024 and 2023 were comprised of the following:

	2024	2023
Accounts receivable	$ 5,476	$ (5,932)
Prepaid expenses and deposits	180,473	(141,199)
Accounts payable and accrued liabilities	(70,138)	215,261
Income tax payable	52,755	376,901
Interest on advances from Cortina Landfill Company	858,136	221,210
Interest	55,869	44,835
Convertible loan interest	61,382	44,222
Net Change	$ 1,143,953	$ 755,298

The Company incurred non-cash financing and investing activities during the years ended November 30, 2024, and 2023:

	2024	2023
Non-cash financing and investing activities:		
Issue of share capital for:		
Shares issued for finance fee	$ -	$ 90,000
Shares issued for debt	$ 678,600	$ 1,267,300

15 (Loss) Income per share

	2024	2023
Basic weighted average number of shares outstanding	111,530,780	97,376,873
Effect of dilutive securities	-	4,076,011
Fully diluted weighted average number of shares outstanding	111,530,780	101,452,884
(Loss) Income for the year	$ (15,122,285)	$ 2,268,482
Effect of dilutive securities	-	112,915
Fully diluted (loss) income for the year	$ (15,122,285)	$ 2,381,397
Basic and diluted (loss) income per share	$ (0.14)	$ 0.02

For the year ended November 30, 2024, 23,585,100 (2023 – 21,603,900) warrants and 6,850,000 (2023 – 850,000) options were not included in the calculation of income (loss) per common share as their inclusion was anti-dilutive.

16 Subsequent Events

a) Subsequent to the year-end, the Company issued 10,000,000 units at a unit price of $0.05 per unit, generating net of payables proceeds of $470,000. Each unit is comprised of 1 common share and 1 share purchase warrant, to purchase 1 common share of the Company at an exercise price of $0.10 and expires on January 28, 2027.

b) Subsequent to the year-end, the expiry date of 2,612,500 warrants with an exercise price of $0.30 were extended to December 3, 2025.

c) Subsequent to the year-end, the Company entered into a note payable agreement with a related party for a loaned amount of $131,000 maturing on January 27, 2026, and interest shall accrue at 10% per annum.