INTERIM FINANCIAL STATEMENTS

FOR THE 3 MONTH PERIOD ENDING MARCH 31, 2019

HTC EXTRACTION SYSTEMS

delta purification

reclaim
recycle
reuse

"purification for the energy and biomass industries"

Corporate Overview

The **HTC** Group of **Advanced Extraction Technology** Companies is involved in the following market sectors:

Clean Energy and Biomass

HTC's **Extraction Systems™** Group has developed proprietary gas, liquid and biomass extraction systems that have been designed to extract from gas, liquids and biomass and for the distillation and purification of ethanol and ethanol-based solvents used for this extraction. The **HTC Extraction System™** has been engineered to reduce capital and operating costs, while at the same time delivering superior performance by reducing energy usage, lowering emissions, and improving the quality of the product being produced.

Purification Systems

HTC has completed the WTO patenting, commercialization and the construction and commissioning of the **Delta Purification™** System. A **Delta Purification™** System reclaimer unit is like a kidney in the human body, in that it removes the impurities that build up in ethanol, glycols and liquids, used as solvents in commercial clean energy and biomass extraction systems. This system allows these liquids to be reclaimed, recycled and reused; reducing overall costs while reducing the environmental footprint.

To the Shareholders of
HTC Purenergy Inc. ("HTC" or the "Corporation")

Management's Accountability for Management's Discussion and Analysis and Financial Statements

The unaudited condensed consolidated interim financial statements for the period ending March 31, 2019 ("**Financial Statements**") have been prepared by management in accordance with International Financial Reporting Standards in Canada. Management is responsible for ensuring that these statements, which include amounts based upon estimates and judgment, are consistent with other information and operating data contained in management's discussion and analysis for the period ending March 31, 2019 ("**MD&A**") and reflect HTC business transactions and financial position.

Management is also responsible for the information disclosed in the MD&A, including responsibility for the existence of appropriate information systems, procedures and controls, to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects.

In addition, management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Corporation's assets are appropriately accounted for and adequately safeguarded. Management has concluded that the Corporation's system of internal control over financial reporting was effective as at March 31, 2019.

The board of directors ("**Board**") annually appoints an audit committee which includes directors who are not employees of the Corporation. This committee meets regularly with management and the shareholders' auditors to review significant accounting, reporting and internal control matters. The shareholders' auditors have unrestricted access to the audit committee. The audit committee reviews the interim and annual financial statements, the report of the shareholders' auditors, and the interim and annual management's discussion and analysis and has delegated authority to approve the interim filings and makes recommendations to the Board regarding annual filings.

Management has reviewed the filings of the Corporation's MD&A, Financial Statements and attachments thereto. Based on our knowledge, having exercised reasonable diligence, these interim filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, with respect to the period covered by the interim filings. Based on our knowledge, having exercised reasonable diligence, the Financial Statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, the financial performance, and cash flows of the Corporation, as of the date of and for the periods presented in the interim filings.

Signed "Lionel Kambeitz"	*Signed "Jeffrey Allison"*
LIONEL KAMBEITZ	**JEFFREY ALLISON**
CHAIRMAN & CEO	**SR. VICE-PRESIDENT & CFO**

NOTICE TO READER OF THE
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS

The condensed consolidated interim financial statements for the three-month period ending March 31, 2018 have been prepared by management in accordance with the International Financial Reporting Standards and have not been reviewed by **HTC** Purenergy Inc. dba ***HTC Extraction Systems***' Auditor.

Signed "Lionel Kambeitz"
Lionel Kambeitz
Chairman, CEO and Director

Condensed Consolidated Interim Statement of Financial Position

(In Canadian dollars)

For the period ended	Note	Mar. 31, 2019	Dec. 31, 2018
ASSETS			
Current Assets:			
Cash		$ 2,567,852	$ 1,584,658
Accounts receivable	25	952,803	692,509
Other receivables	4	60,000	107,437
Government remittances receivable		-	381,194
Prepaid expenses and Deposits		67,917	-
Inventory	7	373,865	373,865
Grain Contract Assets	5	1,069,677	1,069,677
Investments at FVTPL	6	1,192,419	1,182,122
Assets held for sale	15	-	1,763,884
		6,284,533	7,155,346
Property, plant and equipment	9	21,917,315	22,907,625
Other receivables – long term	4	178,781	226,948
Loan receivable	8	2,511,991	2,483,942
Product development	10	350,355	370,786
Investment in associate and joint venture	11	-	437,964
Investments at FVTOCI	12	601,335	187,577
Patents	13	112,835	108,748
Intangible assets	14	183,200	191,526
Total Assets		$32,140,345	$34,070,462
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable and accrued liabilities	25	$ 1,592,647	$ 4,059,980
Bank LOC		514,200	-
Government remittances payable		116,651	-
Current portion of lease liability	16	71,592	142,092
Current portion of long-term debt	17	299,997	399,996
		2,595,087	4,602,068
Lease liability	16	216,050	231,980
Long term debt	17	7,433,339	7,433,339
Related Party Loan		1,031,513	-
		11,275,989	12,267,387
Shareholders' equity:			
Share capital	18	39,471,820	39,159,320
Contributed surplus	19	417,671	80,394
Accumulated deficit		(23,404,696)	(21,381,708)
Accumulated other comprehensive gain (loss)		287,805	(125,953)
Total equity attributable to shareholders of the Corporation		16,776,600	17,732,053
Total equity attributable to non-controlling interest		4,087,756	4,071,022
Total equity		20,864,356	21,803,075
Total liabilities and equity		$32,140,345	$34,070,462

See accompanying notes to the Financial Statements

See Note 29 Commitments

Condensed Consolidated Interim Statement of Income (Loss)
(In Canadian dollars)

For the period ended March 31	**Note**	**2019**	**2018**
Revenue:			
Engineering, process design & consulting		288,680	-
Fertilizer handling services		219,150	-
Fertilizer facility rent		20,850	-
Grain handling services		112,478	-
Grain handling storage		73,193	-
Grain handling finance income		17,313	-
Others		37,216	21,884
		768,880	21,884
Expenses:			
Commercialization, product development and administration		659,152	589,457
Amortization		586,123	91,362
Interest paid on lease liabilities	27	1,453	-
Finance costs		80,426	9,360
		1,327,154	690,179
Loss from Operations		(558,274)	(668,295)
Interest and other income		424,216	138,900
Income from disposal of Assets		398,427	-
Loss from equity investment in **Assist** (net of tax)	11	-	(15,130)
Income from equity investment in **ClearGSI** (net of tax)	11	-	193,881
Stock compensation expense	19	149,777	-
Severance expense		2,116,846	-
Income (loss) for the period before tax		(2,002,254)	(350,644)
Income tax recovery	20	-	120,981
Net income (loss) for the period		$(2,002,254)	$(229,663)
Income (loss) for the period attributable to:			
Shareholders of the Corporation		$(2,018,988)	$(230,997)
Non-controlling interest		16,734	1,334
Net income (loss) for the period		$(2,002,254)	$(229,663)
Income per share – basic		(0.05)	(0.007)
Income per share – fully diluted		-	-
Income per share from continuing operations – basic		(0.05)	(0.007)
Income per share from continuing operations – diluted		-	-

See accompanying notes to the Financial Statements

Consolidated Interim Statement of Other Comprehensive Income (Loss)

(In Canadian dollars)

For the period ended March 31	Note	2019	2018
Net income for the period		**$(2,002,254)**	**$(229,663)**
Other comprehensive loss for the period	12	413,758	70,577
Total comprehensive income (loss)		**(1,588,496)**	**$(159,086)**
Total comprehensive income (loss) for the period attributable to:			
Shareholders of the Corporation		(1,605,230)	(160,420)
Non-controlling interest		16,734	1,334
Net comprehensive income (loss) for the period		$(1,588,496)	$(159,086)

See accompanying notes to the Financial Statements

Consolidated Interim Statement of Changes in Equity

(In Canadian dollars, except number of shares)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Other Comprehensive income	Non Controlling Interests	Total Equity
					Equity attributable to the shareholders		
Balance at Dec. 31, 2018	**32,413,741**	**$39,159,320**	**$ 80,394**	**$(21,381,708)**	**$(125,953)**	**$4,071,022**	**$21,803,075**
Loss for the period	-	-	-	(2,018,988)	-	16,734	(2,002,254)
Shares and warrants issued	6,250,000	315,500	337,277	-	-	-	649,777
Other comprehensive income (loss)	-	-	-	-	413,758	-	413,758
Balance at Mar. 31, 2019	**38,663,741**	**$39,471,820**	**$ 417,671**	**$(23,400,696)**	**$287,805**	**$4,087,756**	**$20,864,356**

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Other Comprehensive income	Non Controlling Interests	Total Equity
					Equity attributable to the shareholders		
Balance at Dec. 31, 2017	**30,309,195**	**$39,008,214**	**$766,556**	**$(18,533,466)**	**($93,992)**	**$4,312,860**	**$25,460,172**
Loss for the period	-	-	-	(3,614,798)	-	(241,838)	(3,856,636)
Shares and warrants issued	2,104,546	151,106	80,394	-	-	-	231,500
Options and warrants expired (Note 19)	-	-	(766,556)	766,556	-	-	-
Other comprehensive income (loss)	-	-	-	-	(31,961)	-	(31,961)
Balance at Mar. 31, 2018	**32,413,741**	**$39,159,320**	**$ 80,394**	**$(21,381,708)**	**$(125,953)**	**$4,071,022**	**$21,803,075**

See accompanying notes to Financial Statements

Condensed Consolidated Interim Statement of Cash Flows

(In Canadian dollars)

For the period ended March 31	Note	2019	2018
Cash flows from operating activities:			
Net income (loss)		$(2,002,255)	$(229,663)
Items not affecting cash:			
Amortization		586,123	91,362
Stock compensation expense		149,777	-
Gain (loss) on sale of subsidiaries		(398,427)	(5,512,245)
Unrealized (loss) gain on held-for-trading investments		(5,263)	(118,059)
Severance Expense non-cash		1,319,917	-
Interest income non-cash		(18,216)	-
Interest component on lease liabilities	16	1,453	-
Loss from equity investment in **Assist**		-	15,130
Income from equity Investment in **ClearGSI**		-	(193,881)
Gain on exchange		408	2,345
Deferred tax expense		-	(120,981)
Change in working capital and other	22	(1,282,952)	131,347
		(1,649,435)	(422,400)
Cash flows from investing activities:			
Cash change in investments and loans receivable		-	-
Purchase of assets (net)		(291,224)	(1,441,561)
Net change in held-for-trading investments		6,983	63
Increase in patents		(7,687)	-
Finance leases received during the period		-	26,667
Amount received from Assist		437,964	-
Amount received from **ClearGSI**		2,134,500	-
		2,862,984	(1,414,831)
Cash flows from financing activities:			
Non-Cash transaction: Issuance of Shares	19	(500,000)	-
Loan proceeds		(99,999)	4,000,000
Lease liability repayments		(143,103)	(26,787)
Interest component on lease liabilities		(1,453)	
Cash received from issuance of shares		-	181,500
Net increase in bank line of credit		514,200	70,000
		(230,355)	4,224,713
Increase (decrease) in cash during the period		(983,193)	2,387,482
Cash – beginning of period		1,584,658	1,159,457
Cash – end of period		$2,567,852	$3,546,939
Included in operating activities			
Cash interest received		$ 6,030	$ 8,057
Cash interest paid		81,879	9,360
Corporate tax paid		-	-

See accompanying notes to the Financial Statements

Notes to the Financial Statements
For the periods ended March 31, 2019 and 2018

1. Operations:

HTC Purenergy Inc. ("**HTC**" or "**Corporation**") is incorporated under the *Business Corporations Act* (Alberta) and is located at #002-2305 Victoria Avenue, Regina, Saskatchewan, Canada. The unaudited condensed consolidated interim financial statements for the period ending March 31, 2019 ("**Financial Statements**") include the accounts of the Corporation and its subsidiary companies. All intercompany balances, transactions and unrealized profits and losses are eliminated on consolidation.

With the exception of **HTC's** subsidiary Maxx Group of Companies Corp. ("**Maxx**") (78% owned by **HTC**), **HTC** and its subsidiaries are development stage companies whose commercial business is the development, aggregation and commercialization of proprietary technologies relating to gas, liquid and biomass extraction, distillation, purification and reclamation.

Maxx and its subsidiaries (together the "**Maxx Group**") provide consulting and logistical support for its subsidiary operations and others, should the opportunity arise. **Maxx** is developing grain and fertilizer handling facilities at Western Canadian rail locations.

2. Basis of Presentation:

a) Statement of Compliance with International Financial Reporting Standards ("IFRS"):

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

These Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements as at and for the year ended December 31, 2018.

These Financial Statements include the accounts of **HTC** and its subsidiaries. In management's opinion, the Financial Statements include all adjustments necessary to fairly present such information.

These Financial Statements were authorized by the audit committee of the board of directors for issue and approved by the Corporation's board of directors ("**Board**") on May 30, 2019.

b) Adoption of New Accounting Standard

The adoption of the following new standards, interpretations and amendments were included in the Financial Statements for the year beginning January 1, 2018.

IFRS 9:

Effective January 1, 2018, the Corporation adopted IFRS 9, which introduces new requirements for:

- the classification and measurement of financial assets and liabilities;
- the recognition and measurement of impairment of financial assets; and
- general hedge accounting.

In accordance with the transition provisions of the standard, the Corporation has elected to not restate prior periods. The impact of adopting IFRS 9 was recognized in the deficit at January 1, 2018. The Corporation had no material impact of adopting IFRS 9 on the opening retained earnings.

The key impacts are outlined below:

i) Classification and Measurement: IFRS 9 introduces the requirement to classify and measure financial assets based on their contractual cash flow characteristics and the Corporation's business model for the financial asset. All financial assets and financial liabilities, including derivatives, are recognized at fair value on the Consolidated Statements of Financial Position when the Corporation becomes party to the contractual provisions of a financial instrument or non-financial derivative contract. Subsequent to initial recognition, financial assets must be classified and measured at either amortized cost, at fair value through profit or loss ("**FVTPL**"), or at fair value through other comprehensive income ("**FVTOCI**").

The Corporation's management reviewed and assessed the classifications of its existing financial instruments as at January 1, 2018, based on the facts and circumstances that existed at that date, as shown below.

The updated financial instruments classification compared with the previous classification are provided below:

	IAS 39	IFRS 9
Loans and receivables	Loans and Receivable measured at amortized costs	Amortized cost
Investments at FVTPL	Fair value through profit or loss	FVTPL
Accounts receivable and other receivables	Loans and Receivables, measured at amortized cost	Amortized cost
Other loans receivable, notes receivable	Loans and Receivables, measured at amortized cost	Amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Loan receivable- long term	Loans and Receivables, measured at amortized cost	FVTPL
Investment at FVTOCI	Available for sale	FVTOCI

The change in classification for loan receivable is due to the fact that this loan does not pass the "Solely for Payment of Principal and Interest (SPPI)" test under IFRS 9.

ii) Impairment of Financial Assets IFRS 9 introduces a new impairment model for financial assets measured at amortized cost as well as certain other instruments. The expected credit loss model requires entities to account for expected credit losses on financial assets at the date of initial recognition, and to account for changes in expected credit losses at each reporting date to reflect changes in credit risk.

The Corporation's management reviewed and assessed its existing financial assets for impairment using reasonable and supportable information in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognized and compared that to the credit risk as at January 1, 2018. The assessment of changes in credit risk resulted in an immaterial impact on the Statements of Financial Position at the date of transition.

c) Comparative Amounts

Comparative amounts have been restated to conform to the present basis of presentation.

d) Functional Currency

The Financial Statements are presented in Canadian dollars, which is the Corporation's functional currency.

e) Use of Estimates and Judgment

The preparation of the Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Judgment is used mainly in determining whether a balance or transaction should be recognized in the Financial Statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

These Financial Statements are based on management's best estimates using information available. Uncertainty regarding the timing of anticipated large-scale market demand for carbon capture technology, related legislative incentives, and uncertainty in financial markets has complicated the estimation process. Accordingly, the inherent uncertainty involved in making estimates and assumptions may impact the actual results reported in future periods by a material amount.

Use of estimates and judgment – information about judgment, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are as follows:

Revenue recognition:
The following judgments and estimates are made by management in relation to revenue recognition:

- Judgment on principal vs agent relationship;
- Judgments in relation to the performance obligations within the contracts with the customers;
- Estimation of the allocation of transaction price to different performance obligations.

Investments classification:
As part of the evaluation and identification of significant influence investments, management must exercise judgment based on current information and in the evaluation and applications of the accounting pronouncements. Determination of

whether or not an investment should be classified and accordingly accounted for as a subsidiary, significant influence or equity investment has a material impact on the financial statements. Management takes into account all facts and circumstances in concluding the classification of an investment.

Fair value measurement of financial instruments:
When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow method (DCF) model. The inputs to these models are taken from observable markets where possible.

Lease Recognition:
The Corporation applies judgment in determining whether a contract contains an identified asset. The identified asset should be physically distinct or represent substantially all of the capacity of the asset, and should provide the right to substantially all of the economic benefits from the use of the asset. The Corporation also applies judgment in determining whether or not it has the right to control the use of the identified asset. It has that right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decisions about how and for what purpose the asset is used are predetermined, it has the right to direct the use of the asset if it has the right to operate the asset or if the asset is designed in a way that predetermines how and for what purpose the asset will be used.

The Corporation applies judgment in determining the incremental borrowing rate used to measure its lease liability for each lease contract, including an estimate of the asset-specific security impact. The incremental borrowing rate should reflect the interest that would have to be paid to borrow at a similar term and with a similar security.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Corporation has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. At lease commencement, it assesses whether it is reasonably certain to exercise any of the extension options based on its expected economic return from the lease. The

Corporation periodically reassess whether it is reasonably certain to exercise the options and accounts for any changes at the date of the reassessment. The assessment of whether the Corporation is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of lease liabilities and right-of-use assets recognized. The Corporation estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option. Certain qualitative and quantitative assumptions are made when deriving the value of the economic incentive.

Business Combinations:
Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of acquired assets, liabilities, goodwill and intangibles changes in any of these assumptions or estimates used in determining the fair value of acquired assets and liabilities, could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation. Future net income can be affected as a result of changes in asset impairment.

Asset Impairment:
The carrying amounts of the Corporation's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The Corporation's most significant estimates and assumptions involve values associated with product development costs, patents, goodwill and intangible assets. These estimates and assumptions include those with respect to future cash inflows and outflows, discount rates, asset lives, and the determination of cash generating units. At least annually, the carrying value of goodwill is reviewed for potential impairment. Among other things, this review considers the fair value of the cash-generating units based on discounted estimated future cash flows or other information about the fair values. This review involves significant estimation uncertainty, which could affect the Corporation's future results if the current estimates of future performance and fair values change.

Classification of Financial Instruments:
The Corporation classifies its financial instruments into one of the following categories:

- Financial liabilities at amortized cost
- Financial assets at:
    - FVTPL,
    - FVTOCI,
    - amortized cost.

Classification requires management to exercise judgment based on available information and in the context of the prescribed accounting policies.

Provisions:
Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past obligating event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Identification and evaluation of provisions is subject to judgment and estimates.

Inventory Provision:
In determining the lower of cost and net realizable value of inventory and in establishing the appropriate impairment amount for inventory obsolescence, management estimates the likelihood that inventory carrying values will be affected by changes in market pricing or demand for the products and by changes in technology or design which could make inventory on hand obsolete or recoverable at less than the recorded value. Management performs regular reviews to assess the impact of changes in technology and design, sales trends and other changes on the carrying value of inventory. Where it is determined that such changes have occurred and will have an impact on the value of inventory on hand, appropriate adjustments are made. If there is a subsequent increase in the value of inventory on hand, reversals of previous write-downs to net realizable value are made. Unforeseen changes in these factors could result in additional inventory provisions, or reversals of previous provisions, being required.

Utilization of Tax Losses:
Due to current circumstances, there is no immediate expectation for utilization of losses based on prior period's results.

Contingencies:
By their nature, contingencies will only be resolved when one of more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Additional insight to the use of judgment estimates and assumptions are provided in the notes below.

f) Basis of Measurement

The Financial Statements have been prepared on historical cost basis, except for investments which are measured at FVTPL (as described in Note 6), investments measured at FVTOCI (as described in Note 12) and loan receivable- long term which is measured at FVTPL. The methods used to measure fair values are discussed in Note 20.

3. Significant Accounting Policies:

Except as described below, the accounting policies in these Financial Statements are the same as those applied in the Corporation's Financial Statements as at, December 31, 2018, and for the three-month period ended, March 31, 2019 ("**Period**").

IFRS 16 LEASES

IFRS 16 Leases introduced a single, on-balance sheet accounting model for lessees. As a result, the Corporation, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

Th Corporation has applied *IFRS 16* using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in *Changes to Accounting Policy* below.

Accounting policy applicable from January 1, 2019:

At inception of a contract, the Corporation assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

- The Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- The Corporation has the right to direct the use of the asset. The Corporation has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is predetermined, the Corporation has the right to direct the use of the asset if either:
    - The Corporation has the right to operate the asset; or
    - The Corporation designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

i. As a Lessee

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. 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 earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of 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 implicitly in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payment in an optional renewal period, if the Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease, unless the Corporation is reasonably certain not to terminate early.

The lease liability is subsequently 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 Corporation's estimate of the amount expected to be payable under a residual value guarantee or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. 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 Corporation presents right-of-use assets in “property, plant and equipment’ and lease liabilities in “lease liability’ in the Statement of Financial Position.

ii. As a Lessor

The Corporation recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as operating expense.

Accounting policy applicable before January 1, 2019

Leases where the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset. Other leases are operating leases and not recognized in the Statement of Financial Position.

Minimum lease payment made under finance leases are apportioned between finance expense and reduction of the outstanding liability. Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Cash Equivalents
Cash includes balances in banks and cash on hand. Cash equivalents are comprised of cash and highly liquid investments with a maturity of three months or less from the date of purchase. The Corporation does not presently have any highly liquid investments that would qualify as cash equivalents in the current or previous period.

Basis of Consolidation

a) Subsidiaries

Subsidiaries are entities controlled by the Corporation. The financial statements of the subsidiaries are included in the Financial Statements from the date that control commences until the date that control ceases.

b) Transactions Eliminated on Consolidation

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the Financial Statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Financial Statements include the accounts of the Corporation and its subsidiaries. As at March 31, 2019, wholly owned subsidiaries include **HTC CO_2 Systems Corp.**

(“**HTC CO_2 Systems**”), **Carbon Rx Inc.** and **CO_2 Technologies Pty. Ltd.** The Corporation owns 78% of **Maxx. Maxx** wholly owns **Port LaJord Terminal Corp.** (“**PLT**”) (collectively referred to as the “**Maxx Group**”). **Maxx** operations are based in Saskatchewan.

The Corporation has a 18% interest in **Assist Energy Solutions Corp.** (“**Assist**”) and accounts for this using the cost method.

Foreign Currency Translation
The Corporation translates monetary assets and liabilities using the rate of exchange at the Financial Statement date and non-monetary assets liabilities using the historical exchange rate at the transaction date. Revenues and expenses are translated using the average exchange rate in effect for the period.

Inventory
Inventory is comprised of completed product and is valued at the lower of cost and net realizable value using the specific identification method.

Property, Plant and Equipment
The initial cost of an asset is comprised of its purchase price or construction cost, and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the amount paid and the fair value of any other consideration given to acquire the asset. Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets values comprise of cost less accumulated depreciation and impairment if required.

Assets are depreciated over its estimated useful life as follows:

Equipment	15% and 30% declining balance
Leasehold improvements	3 years straight-line
Buildings	4% declining balance
Rail	4% declining balance
Roads	8% declining balance

Impairment of Assets

a) Financial Assets

Please see 2(b) above.

b) Non-Financial and Intangible Assets

The carrying amounts of the Corporation’s property and equipment and intangible assets having a finite useful life are assessed for impairment indicators on an annual basis to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets or group of assets estimated fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable independent cash inflows ("**cash generating unit**" or "**CGU**").

Where an impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Assets that have an indefinite useful life and goodwill are not subject to depreciation and are tested for impairment at least on an annual basis or earlier when there is an indication of potential impairment.

Provisions
Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past obligating event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

These provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation as at March 31, 2019. The discount rate used to determine the present value reflects current market assessments of the time value of money. **HTC** performs evaluations to identify onerous contracts and where applicable, records provisions for such contracts.

Patents
Costs associated with registration of patents are accumulated at cost and when registration is complete, amortized on a straight-line basis over 15 years.

Intangible Assets
Identifiable intangible assets, acquired through acquisitions that are subject to amortization, are amortized using the straight-line method over their estimated useful lives of 3 to 20 years.

Intangible assets, not subject to amortization, are tested annually for impairment, and any impairment identified is charged to earnings as identified. The Corporation does not have any such intangible assets.

Research and Development

Research costs are expensed as they are incurred in accordance with specific criteria set out under IFRS. Product development costs are expensed as incurred except if the costs are related to the development and setup of new products, processes and systems, and satisfy certain conditions for capitalization, including reasonable assurance that they will be recovered. All capitalized development costs are amortized when commercial production begins, based on the expected useful life of the completed product. The carrying value of capitalized development costs are examined for recoverability annually.

Costs associated with the development of the LCDesign®, Delta Reclaimer™ System, and PDOengine™ have been capitalized in accordance with the specific criteria under IFRS.

Stock-Based Compensation

The Corporation used the fair-value based method of accounting for share-based compensation for all awards of share options granted. The fair value at the grant date of share options is calculated using the Black-Scholes valuation method. Compensation expense is charged to net income over the vesting period with a corresponding increase to contributed surplus.

The Corporation issues shares and share options under its share-based compensation plans as described in Note 19. Any consideration paid by directors, consultants and employees on exercise of share options or purchase of shares, together with the amount initially recorded in contributed surplus, is credited to share capital.

Revenue Recognition

The Corporation has adopted IFRS 15 *Revenue from Contracts with Customers* with an initial adoption date of Jan. 1, 2018. As a result, the Corporation has changed its accounting policy for revenue recognition, which is outlined below.

The Corporation has elected to adopt IFRS 15 retrospectively with the modified retrospective method of transition practical expedient. Comparative information has not been restated and is reported under IAS 18 Revenue (IAS 18).

The Corporation's revenues from contracts with customers are derived from the following sources:

- Rent revenues;
- Handling services revenues;
- Engineering processing design and consulting services; and
- Other revenues.

The Corporation evaluates whether the contracts it enters into meet the definition of a contract with a customer at the inception of the contract and on an ongoing basis if there is an indication of significant changes in facts and circumstances. Revenue is measured based on the transaction price specified in a contract with a customer. Revenue is recognized when control of the good or services is transferred to the customer. For certain contracts, revenue may be recognized at the invoiced amount, as permitted using the invoice practical expedient, if such amount corresponds directly with the Corporation's performance to date. The Corporation excludes amounts collected on behalf of third parties from revenue.

Performance Obligations:
Each promised good or service is accounted for separately as a performance obligation if it is distinct. The Corporation's contracts contain more than one performance obligation.

Transaction Price:
The Corporation allocates the transaction price in the contract to each performance obligation. Transaction price allocated to performance obligations may include variable consideration. Variable consideration is included in the transaction price for each performance obligation when it is highly probable that a significant reversal of the cumulative variable revenue will not occur. Variable consideration is assessed at each reporting period to determine whether the constraint is lifted. The consideration contained in some of the Corporation's contracts with customers has variable component, and may include both variability in quantity and pricing, such as: revenues can be dependent upon the quantity handled or the number of days any product is stored.

When multiple performance obligations are present in a contract, transaction price is allocated to each performance obligation in an amount that depicts the consideration the Corporation expects to be entitled to in exchange for transferring the good or service. The Corporation estimates the amount of the transaction price to allocate to individual performance obligations based on their relative standalone selling prices.

Recognition:
The nature, timing of recognition of satisfied performance obligations, and payment terms for the Corporation's goods and services are described below:

Rent revenue relates to renting the fertilizer handling facility to one of its customers. The Corporation has a contract with the customer and have identified a lease embedded within this contract. The Corporation has therefore, determined the value of lease component and these revenues are recognized in accordance with International Accounting Standard 17 *Leases*.

The residual price is allocated to the handling services, revenue which are recognized over time using a quantity-based output measure i.e. metric tonnes handled. This contract with the customer is long term in nature. Payments are typically received from customers on a monthly basis.

Revenues from engineering development services is recognized over time using a milestone - based output method i.e. on achieving defined milestones agreed with the customer under the contract. Management monitors the progress achieved against these milestones and considers that milestones represent actual proportionate work performed on the contracts. Accordingly, the revenues and costs for these contracts are recognized at the time milestone bills are sent to the customers and accepted by them.

Revenues from contracts for sale of product are recognized at point in time when the control on those is transferred to the customer, which is normally when the product is accepted by the customers.

The Corporation recognizes a contract asset or contract liability for contracts where either party has performed. A contract liability is recorded when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation before it has invoiced the customer. The Corporation recognizes unconditional rights to consideration separately as a receivable. Contract assets and receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

The Corporation recognizes a significant financing component where the timing of payment from the customer differs from the Corporation's performance under the contract and where that difference is the result of the Corporation financing the transfer of goods and services.

Government Grants and Bursaries

Government assistance and investment tax credits are recorded as either a reduction of the cost of the applicable assets, or credited against the related expense incurred in the statement of operations, as determined by the terms and conditions of the agreements under which the assistance is provided to the Corporation or the nature of the expenditures which gave rise to the credits unless repayable conditions or terms are attached, in which case they are recorded separately. Government assistance and investment tax credit receivables are recorded when their receipt is reasonably assured.

Income Taxes

Income tax expense comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method of accounting. Under this method, future income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax basis (temporary differences).

The resulting changes in the net future tax asset or liability are included in income. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. Future income tax assets are recognized to the extent it is probable that these will be realized in the future.

Changes to accounting policy

IFRS 16 LEASES

The Corporation adopted IFRS 16 *Leases*, using the modified retrospective approach from January 1, 2019, and therefore has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in retained earnings at January 1, 2019. There was no adjustment to retained earnings as a result of this change in accounting policy.

The Corporation has elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Corporation relied on its assessment made applying IAS 17 and IFRIC 4. The definition of a lease under IFRS 16 *Leases* was applied only to contracts entered into or changed on or after January 1, 2019.

On adoption of IFRS 16, the Corporation recognized lease liabilities in relation to leases which had previously been classified as “operating lease” under the principles of IAS 17 *Leases*. The liabilities were measured at the present value of the remaining lease payment, discounted using the Corporation’s incremental borrowing rate as of January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Corporation used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Application of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous;
- Application of the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Utilization of hindsight in determining the lease term, where the contract contains options to extend or terminate the lease.

For leases previously classified as finance leases, the Corporation recognized the carrying amount of the lease asset and lease liability immediately before transition, as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

4. Other receivables

a.) Other receivables - current

	Mar. 31, 2019	**Dec. 31, 2018**
Other receivables- short term	$ 60,000	$ 107,437

Other receivable – long term

	Mar. 31, 2019	**Dec. 31, 2018**
Loan to related party	$ 156,772	$ 154,475
Other receivables- long term	22,009	72,473
	$178,781	$226,948

Loan to related party represents long-term loan to Kingsland Energy Corp. ("**KLE**"). The loan is secured with a first charge on property of KLE. **HTC** has agreed not to collect on this amount until March 12, 2020.The loan is secured with a first charge on property of a third party. The loan amount has been adjusted to give consideration to the KLE creditor proposal which required a portion of the loan to be settled for shares. The balance has been transferred to long term.

Included in other long-term receivables is a $22,009 (December 31, 2018 - $72,473) receivable from the sale of 101059035 Saskatchewan Ltd. doing business as Pinnacle Industrial Services ("**Pinnacle**").

5. Grain contract assets

Grain contract assets relate to consideration paid in advance by the Corporation in relation to its grain handling agreements. Under these agreements the Corporation stores the products (“**Commodities**”) and takes legal title to the commodity from the farmer (“**Producer**”) and facilitates sales of the Commodities to purchasers (“**Customers**”) with the Producers authorization. The Corporation pays 70% of the market price of the Commodity upfront to the Producer, at which point ownership transfers to the Corporation. Once the Commodities are sold to Customers, the Corporation pays the remaining 30%, less contra-charges for storage and administration fees, to the Producer.

The Corporation acts as an agent on behalf of the Producer, as the producer authorizes the eventual sale and hence, the amount paid to the Customers has been recognized as contract asset and there is no liability recorded in respect to the 30% liability that results from the grains being delivered. As at March 31, 2019 these balances are collectible, and no impairment has been recognized.

6. Investments at FVTPL

The Corporation has invested funds in an investment portfolio with RBC Dominion Securities Inc. The Corporation has classified investments as FVTPL. The securities have been recorded at their trading prices based on March 31, 2019 and December 31, 2018 quoted prices obtained from over the counter exchanges, and changes in fair value have been accounted for in the Consolidated Statement of Income (Loss).

7. Inventory

	Mar. 31, 2019	Dec. 31, 2018
Finished goods	$ 373,865	$ 373,865

During the Period, changes to work in progress, materials, supplies and finished goods recognized as cost of sales amounted to $Nil (March 31, 2018 - $Nil). There were no adjustments for net realizable value or obsolescence during the Period or for the year ending December 31, 2018.

8. Loan receivable

Loan receivable amounts are related to the sale of **Pinnacle** (January 1, 2017). Amounts are non-interest bearing until March 24, 2020 at which time interest at prime plus 0.5% will commence until paid in full. Payment may be made at any time without penalty. The due date for the loan is March 20, 2020. Accordingly, the amounts are classified as long term. As per agreement, if the loan balance is not settled by March 20, 2020 the Corporation has an option to settle the debt, be accepting a certain number of shares in Pinnacle. Due to this feature embedded within the loan agreement, this loan has been classified as a financial asset at FVTPL. Fair value has been determined using an interest rate of 4.5% per annum.

9. Property, plant and equipment

	Equipment	Leasehold	Vehicles	Buildings	Rail	Roads	Total
Carrying amount Dec. 31, 2018	**$ 9,923,180**	**$ -**	**$ 484,053**	**$8,364,882**	**$1,500,655**	**$2,634,855**	**$22,907,625**
Additions	94,790	-	-	(514,815)	707	-	(419,318)
Disposals	-	-	(35,000)	-	-	-	(35,000)
Amortization	(369,365)	-	(15,617)	(83,703)	(14,961)	(52,346)	(535,992)
Carrying amount Mar. 31, 2019	**$ 9,648,605**	**$ -**	**$ 433,436**	**$7,766,364**	**$1,486,401**	**$2,582,509**	**$21,917,315**
Balance Mar. 31, 2019 is comprised of:							
Cost	$10,636,991	$151,113	$605,893	$7,985,418	$1,508,576	$2,667,533	$23,555,524
Accumulated Amortization	(988,386)	(151,113)	(172,457)	(219,054)	(22,175)	(85,024)	(1,638,209)
Carrying Amount	**$ 9,648,605**	**$ -**	**$433,436**	**$7,766,364**	**$1,486,401**	**$2,582,509**	**$21,917,315**

	Equipment	Leasehold	Vehicles	Buildings	Rail	Roads	Total
Carrying amount Dec. 31, 2017	**$ 38,080**	**$ -**	**$ 131,673**	**$12,668,122**	**$ -**	**$ -**	**$12,837,875**
Additions	6,187,893	-	441,694	-	1,507,869	2,667,533	10,804,989
Reallocations	4,167,890	-	-	(4,167,890)	-	-	-
Disposals	(108,002)	-	-	-	-	-	(108,002)
Amortization	(362,681)	-	(89,314)	(135,350)	(7,214)	(32,678)	(627,237)
Carrying amount Dec. 31, 2018	**$ 9,923,180**	**$ -**	**$ 484,053**	**$8,364,882**	**$1,500,655**	**$2,634,855**	**$22,907,625**
Balance Dec. 31, 2018 is comprised of:							
Cost	$10,542,201	$151,113	$640,893	$8,500,232	$1,507,869	$2,667,533	$24,009,841
Accumulated Amortization	(619,021)	(151,113)	(156,840)	(135,350)	(7,214)	(32,678)	(1,102,216)
Carrying Amount	**$ 9,923,180**	**$ -**	**$484,053**	**$8,364,882**	**$1,500,655**	**$2,634,855**	**$22,907,625**

Building additions and reductions relate to construction of grain and fertilizer handling facilities. **PLT** Fertilizer Plant was commissioned on April 30, 2018, amortization commenced May 1, 2018. **PLT** Grain Terminal was fully commissioned on November 7, 2018, and amortization commenced at that time. These facilities have been constructed on a property owned by Kambeitz Agri Inc., which is considered a related party due to common directors. **PLT** currently leases the property and has been granted an option to purchase the land.

Re-allocation of assets occurring in 2018 is due to reclassification of building to equipment.

Included in the above are leased equipment summarized as follows:

	Mar. 31, 2019	Dec. 31, 2018
Opening amount	$384,251	$ -
Leased vehicle additions	-	384,251
	384,251	384,251
Opening amortization	$49,996	$ -
Amortization	24,448	49,996
	74,444	49,996
Carrying value	$309,807	$334,255

10. Product development

Product development costs represent costs incurred to date in connection with the design and construction of the CCS Purenergy® 1000, the Delta Reclaimer® System (“**Delta Reclaimer**”), and the CCS FEEDengine®. Amortization of these costs commence once the development is substantially complete.

	Mar. 31, 2019	Dec. 31, 2018
Delta Reclaimer® System	$ 278,792	$ 278,792
Amortization	(72,487)	(67,545)
	206,305	211,247
LCDesign® CCS	433,453	433,453
Amortization	(335,927)	(325,090)
	97,526	108,363
PDOengine™	186,093	186,093
Amortization	(139,569)	(134,917)
	46,524	51,176
Total product development costs	$ 350,355	$ 370,786

11. Investment in associate and joint venture

Investment in associate and joint venture as of March 31, 2019 and December 31, 2018 comprise of:

	Mar. 31, 2019	Dec. 31, 2018
Investment in **Assist**	$ -	$ 437,964

On January 8, 2019, **HTC** recovered a shareholder's loan from **Assist** in the amount of $437,964. As a result of the transaction **HTC**'s shareholding has been reduced from 45% to 18%. The Corporation has minimal investment in Assist and accounts for this investment using cost accounting.

Description	Assist
Investment as at Dec. 31, 2018	$ 437,964
Amounts recovered	(437,964)
Investment as at Mar. 31, 2019	**$ -**

Description	Assist
Investment as at Dec. 31, 2017	$ 614,514
Amounts recovered	(3,807)
Income (loss) for the year	(100,455)
Impairment on investment	(72,288)
Transferred to asset held for sale (Note 15)	-
Investment as at Dec. 31, 2018	**$ 437,964**

12. Investment at FVTOCI

	Mar. 31, 2019	Dec. 31, 2018
Share Investments	$ 601,335	$ 187,577

On December 4, 2008, **HTC** acquired 2,500,000 shares in EESTech Inc. The Corporation has classified theses shares as available-for-sale at FVTOCI. The shares have been recorded at their trading price at March 31, 2019 (December 31, 2018) based prices obtained from over the counter exchanges.

13. Patents

	Cost	Accumulated amortization	Net book value
Carrying Value Dec. 31, 2018	$210,861	$(102,113)	$108,748
Additions	7,687	-	7,687
Amortization	-	(3,600)	(3,600)
Carrying Value Mar. 31, 2019	$218,548	$(102,113)	$112,835

	Cost	Accumulated amortization	Net book value
Carrying Value Dec. 31, 2017	$192,157	$(88,696)	$103,461
Additions	18,704	-	18,704
Amortization	-	(13,417)	(13,417)
Carrying Value Dec. 31, 2018	$210,861	$(102,113)	$108,748

14. Intangible assets

	Intangible assets subject to amortization
Cost	
Balance at Dec. 31, 2017	$ 2,499,600
Adjustment for impairment	(1,400,000)
Balance at Dec. 31, 2018	**$1,099,600**
Accumulated amortization	
Balance at Dec. 31, 2017	$ 674,767
Amortization for the Year	233,307
Balance at Dec. 31, 2018	$ 908,074
Amortization for the Period	8,326
Balance at Mar. 31, 2019	**$ 916,400**
Carrying amounts (by operating segment)	
At Dec. 31, 2017	**$ 1,824,833**
HTC CO_2 Systems	233,307
Adjustment for impairment	(1,400,000)
Balance at Dec. 31, 2018	$ 191,526
HTC CO_2 Systems	8,326
Balance at Mar. 31, 2019	**$ 183,200**

Management performed an analysis of the existence of indicators of impairment for intangible assets as at December 31, 2018. Management has determined that there was impairment associated with one of the intangibles and has written off $1,400,000 bringing the value of this intangible to $Nil.

15. Assets held for sale

On December 31, 2018 **HTC** announced that a sale purchase agreement ("**Clear Agreement**") between **HTC** and **ClearGSI** and its wholly owned subsidiaries, Clear Glycol Inc. and 1235014 Alberta Ltd., (collectively referred to as "**Clear Group**") was signed. The Clear Agreement was enforceable as at December 31, 2018 and the consideration was paid on January 22, 2019. As a result of the transaction, **HTC** returned its shares in

ClearGSI and the Clear Group agreed to settle its loan and promissory note payable to **HTC**. Also, the Clear Group purchased certain assets from **HTC** as part of the transaction. A consideration of $2,050,000 was agreed under the agreement.

At December 31, 2018 the balance of investment in **ClearGSI**, the loan, promissory note receivable, and carrying value of assets sold, had been disclosed as “Assets held for sale”. Reclassified amounts were recorded at the lower of cost and fair value less cost to sell.

16. Lease liabilities

	Mar. 31, 2019	Dec. 31, 2018
Royal Bank of Canada sale leaseback bearing interest at 4.34% per annum, repayable in monthly blended payments of $16,500 to July 2016 at which time payments terms were amended and reduced to $9,501 per month for the remainder of the lease. The lease matures July 6, 2019 and is secured by the Delta Reclaimer® System.	$ -	$56,245
CNH Capital Financing: $14,871 payable in seven equal payments over three years bearing fixed interest at 2.90%. Secured by assignment of subsidiary’s equipment.	74,357	89,230
Komatsu Financing: $3,726 payable over four years bearing 0% interest. Secured by assignment of subsidiary’s equipment.	145,323	156,502
Ford Credit Financing: $1,236 payable over 5 years bearing 3.49% annual interest. Secured by assignment of subsidiary’s equipment.	67,960	72,095
Principal balance	287,642	374,072
Current portion	(71,592)	(142,092)
	$ 216,050	$ 231,980

Future minimum financing lease payments are approximately:

2019	71,582
2020	84,165
2021	81,716
2022	32,868
2023	10,409
Total future minimum lease payments	280,740
Less: future financing charges	6,902
Principal balance	287,642
Current Portion	(71,592)
	$216,050

HTC Extraction Systems lease payable was settled on January 17, 2019 for a total sum of $60,381.87. The **Delta Reclaimer**® System was part of the **ClearGSI** transaction.

The adoption of IFRS 16 *Leases* had the following impact for the three-month ended March 31, 2019.

Amounts recognized in profit and loss:	
Interest on lease liabilities	$1,453
Amounts recognized in the Statement of Cash Flows:	
Interest paid	$1,453
Principal payments of lease liabilities	$70,939
Total cash outflow for leases	$72,393

17. Long term debt

All amounts in Canadian Dollars	**Mar. 31, 2019**	**Dec. 31, 2018**
Scotiabank loan: $33,333 per month plus interest and Bankers' acceptance at a variable rate of approximately 3.92% maturing August 2038. Secured by general assignment of subsidiary's present and future personal property.	$7,733,336	$7,833,335
Principal balance	$7,733,336	$7,833,335
Current portion	$(299,997)	$(399,996)
	$7,433,339	$ 7,433,339

Principal payments over the next five years (based on a 12-month cycle ending December 31) are approximately as follows:

2019	299,997
2020	399,996
2021	399,996
2022	399,996
2023	399,996
Thereafter	5,833,355
	$7,733,336

Corporation has a bank line of credit available through its subsidiaries in the amount of $5,300,000. As of March 31, 2019, the line of credit has been drawn by $514,200 (December 31, 2018 - $Nil).

18. Share capital

At March 31, 2019 and December 31, 2018, the Corporation had authorized an unlimited number of common shares and an unlimited number of preferred shares without par value. Common shares are voting, participating and are not subject to restrictions.

	As at Mar. 31, 2019		As at Dec. 31, 2018	
Common Shares	**Number**	**Amount**	**Number**	**Amount**
Balance, beginning of period	32,413,741	$39,159,320	30,309,195	$39,008,214
Issued stock	6,250,000	312,500	2,104,546	151,106
Balance, end of period	38,663,741	$39,471,820	32,413,741	$39,159,320

On January 22, 2019, the Corporation issued 6,250,000 units at a price of $0.08 per unit for the gross proceeds of $500,000. These units were issued to 4 placees, two of whom were directors, and one of whom is an insider of the Corporation. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of **HTC** at $0.11 per common share until January 21, 2024.

On January 30, 2018, the Corporation issued 2,104,546 units at a price of $0.11 per unit, for the gross proceeds of $231,500. These units were issued to two directors of the Corporation. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of **HTC** at $0.15 per common share until January 29, 2023. The purchase of 454,546 of these shares were financed and settled on severance paid. The warrants value has been determined and recognized in contributed surplus (see Note 19).

19. Stock options and warrants

The Corporation has a stock option plan for directors, officers, employees and consultants providing for the issuance of options to acquire up to ten percent of the issued and outstanding common shares of the Corporation. The following table reflects the stock option activity from January 1, 2014 through March 31, 2019 and the weighted average exercise price:

	As at Mar. 31, 2019		As at Dec. 31, 2018	
	Options	**Avg. Price**	**Options**	**Avg. Price**
Outstanding, and exercisable, beginning of year	-	$Nil	850,000	$0.14
Stock options issued	3,483,187	$0.075	(850,000)	$0.14
Outstanding and exercisable, end of period	3,483,187	$0.075	-	$Nil

On March 26, 2019, the Corporation issued 3,483,187 stock options. Each stock option entitles the holder to purchase one common share of HTC at $.075 per common share until March 25, 2029. Common share options are valued at $149,777.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Expected volatility considers the historical volatility of the Corporation's shares and any other features of the option grant that may impact the measurement of fair value such as market conditions. Change in the subjective input assumptions can materially affect the fair value estimate.

Date Granted	March 26,2019
Number of options granted	3,483,187
Weighted average share price	$0.10
Risk free interest rate	1%
Expected dividend yield	NIL
Expected stock price volatility	23.24%
Expected option life in years	10
Estimated forfeiture before exercise	Unknown

Share purchase warrants	**As at Mar. 31, 2019**		**As at Dec. 31, 2018**	
	Warrants	**Avg. Price**	**Warrants**	**Avg. Price**
Outstanding and exercisable, beginning of year	2,104,546	$0.11	4,250,000	$0.16
Expired	-	-	(4,250,000)	(0.16)
Issued	6,250,000	0.08	2,104,546	0.11
Outstanding and exercisable, end of Period	8,354,546	$0.10	2,104,546	$0.11

On January 22, 2019, the Corporation issued 6,250,000 units. Each unit consists of one common share and warrant. Each warrant entitles the holder to purchase one common share of **HTC** at $0.11 per common share until January 21, 2024. Warrants are valued at $187,500.

On January 30, 2018, the Corporation issued 2,104,546 units. Each unit consists of one common share and warrant. Each warrant entitles the holder to purchase one common share of **HTC** at $0.15 per common share until January 29, 2023. Warrants are valued at $80,394.

The Black Scholes Option Pricing Model is used to estimate the fair value of warrants. The Corporation recognizes warrants as an increase to contributed surplus based on the following assumptions:

Date Granted	January 22,2019
Number of warrants granted	6,250,000
Weighted average share price	$0.10
Risk free interest rate	1%
Expected dividend yield	NIL
Expected stock price volatility	23.30%

Expected option life in years	5
Estimated forfeiture before exercise	Unknown

Date Granted	January 30,2018
Number of warrants granted	2,104,546
Weighted average share price	$0.17
Risk free interest rate	1%
Expected dividend yield	NIL
Expected stock price volatility	7.18%
Expected option life in years	5
Estimated forfeiture before exercise	Unknown

The total fair value of stock options granted to directors, employees and consultants of the Corporation and warrants issued through private placement as at March 31, 2019 was $417,671 (December 31, 2018 - $80,394).

20. Provision for income taxes:

The Corporation does not make adjustment to its income tax note on an interim basis.

Income tax recovery comprises of:

	2018	2017
Current tax expense	-	175,146
Deferred tax (recovery) provision	120,981	(1,359,877)
	$ 120,981	$(1,184,731)

Tax positions shown are a result of tax provision made for **Maxx Group** operations and are estimates based on income to December 31, 2018 using a rate of 27% (2017 - 27%).

Income tax provision (recovery) differs from the amount that would be computed by applying the Federal and Provincial statutory income tax rate of 27% (2017 – 27%) for the following reasons:

As at December 31	2018	2017
Computed income tax expense (recovery)	$(695,956)	$ 218,973
Increase (reduction) attributable to:		
Difference in accounting versus taxable capital gains	81,327	(1,488,306)
Other non-deductible expenses including unutilized tax pools	2,546	48,962
Adjustment of net future tax assets for enacted changes in tax laws and rates and other differences	-	(1,220,371)
Change in unrecognized deferred tax asset	491,103	35,640
	$ (120,981)	$(1,184,731)

As at December 31, 2018, the Corporation had an anticipated balance of approximately $163,074 (2017: $163,074) of tax credits available to reduce future year taxes (expiring December 31, 2017 to 2031). The Corporation also has $205,356 (2017: $205,356) in Provincial input credits. The amounts of tax credits ultimately received by the Corporation are subject to review by the Canada Revenue Agency and the Saskatchewan Minister of Finance for technical and financial aspects of the tax credit claims.

As at December 31, 2018, the Corporation had accumulated non-capital losses for income tax purposes of approximately $7,627,131 (2017: $8,537,864) and $2,120,060 (2017: $2,120,060) in scientific and experimental expenditures available for carry-forward as a deduction from future income. The losses expire between the years of 2029 to 2038. The Corporation has capital losses of $63,242 (2017 - $63,242).

Deferred income taxes reflect temporary differences between the carrying amount of the assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Corporation's non-recognized deferred income tax asset are as follows:

	2018	2017
Property, plant and equipment	$ 270,380	$ 268,973
Investments	639,435	1,196,660
Intangible assets	186,734	(39,101)
Finance leases	(116)	(44,713)
Non-capital losses	2,076,563	2,305,223
Loan recoverable	22,943	-
Valuation allowance	(3,195,939)	(3,687,042)
	$ -	$ -

The provision for December 31, 2018 represents the reversal of the prior years deferred tax liability arising from realization in the current year.

21. Financial instruments

Fair Value

The Corporation's financial instruments consist of cash, investments at FVTPL, accounts receivable, other receivables, loan receivable, bank line of credit, accounts payable and accrued liabilities, long term debt and FVTOCI investments. The fair values of cash, accounts receivable, bank line of credit, and accounts payable and accrued liabilities approximate their carrying value because of the short-term nature of these instruments. The fair value of other receivables approximate their carrying value as the terms and conditions of these receivables (interest and collaterals) approximate the market conditions.

The fair values of long-term debt also approximate their carrying values as the Corporation pays market interest rates and there are no significant arrangement fees or commissions related to these loans.

Fair value measurements recognized in the Consolidated Statement of Financial Position must be categorized in accordance with the following levels:

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

(ii) 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

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

The Corporation categorized the fair value measurement of its FVTPL and FVTOCI investments as Level 1 as they are primarily derived directly from reference to quoted (unadjusted) prices in over the counter markets. Fair value of loan receivable is determined as level 2 as it is determined using market interest rates.

The Corporation's financial instrument classification is summarized as follows:

		March 31, 2019		
	Level 1	Level 2	Level 3	Total
Cash	$ 2,567,852	$ -	$ -	$ 2,567,852
Accounts receivable and other receivables	-	-	1,012,803	1,012,803
Other receivables – long term	-	-	178,781	178,781
Fair value investments	1,793,754	-	-	1,793,754
Loan receivable	-	-	2,511,991	2,511,991
Accounts payable and accrued liabilities	-	(1,592,647)		(1,592,647)
Operating line of credit		(514,200)		(514,200)
Long term debt including current portion	-	-	(8,036,908)	(8,036,908)
	$4,361,606	$(2,106,847)	$(4,333,333)	$(2,078,574)

		December 31, 2018		
	Level 1	Level 2	Level 3	Total
Cash	$ 1,584,358	$ -	$ -	$ 1,584,658
Accounts receivable and other receivables	-	-	799,946	799,946
Other receivables – long term	-	-	226,948	226,948

Fair value investments	1,369,699	-	-	1,369,699
Loan receivable	-	-	2,483,942	2,483,942
Accounts payable and accrued liabilities	-	(4,059,979)		(4,059,979)
Long term debt including current portion	-	-	(8,207,407)	(8,207,407)
	$2,954,357	$(4,059,979)	$(4,696,571)	$(5,802,193)

22. Changes in working capital and other

Information below is based on the consolidated operations.

Change in working capital is comprised of	Mar. 31, 2019	Mar. 31, 2019
Accounts receivables	$ (260,294)	$ 50,390
Other Receivables – short-term	47,437	(629,277)
Loan receivable – short term	-	96,607
Inventory	(66,662)	-
Prepaid expense	(67,917)	-
Accounts payable and accrued liabilities	(1,433,361)	793,086
Government remittances	497,845	(292,004)
Corporate tax payable	-	175,136
	$ (1,649,435)	$ 131,347

23. Per share amounts

Basic net earnings (loss) per common share have been calculated using the weighted average number of common shares outstanding during the Period. Diluted net earnings (loss) contemplate the potential effect of holders of stock options and share purchase warrants exercising their right to acquire shares.

Weighted average shares outstanding:	Mar. 31, 2019	Dec. 31, 2018
Basic	34,899,929	32,246,531
Diluted	40,925,997	34,351,077

24. Related party transactions:

Related party transactions include transactions with corporate investors who have representation on the Corporation’s Board.

During the Period, the Corporation paid $7,166 (March 31, 2018 - $17,538) for legal services from a law firm that a director is a partner of. As of March 31, 2019, there is an amount owing of $Nil to the law firm (March 31, 2018 - $11,736).

HTC currently rents facilities on a month to month basis from KF Group of Companies ("**KFG**"). KFG is considered a related party through one of **HTC**'s directors. Total rent paid to KFG for the Period is $30,430 (March 31, 2018 - $32,075). As of March 31, 2019, there are no outstanding amounts owing to KFG (March 31, 2018 - $Nil).

KLE is considered a related party due to common directors and common management.

As at March 31, 2019, KLE had a loan owing to **HTC** of $156,772 (December 31, 2018 - $154,475). The loan receivable is secured by a first charge on property of a third party (see Note 4).

EHR Enhanced Hydrocarbon Recovery Inc. ("**EHR**") is a subsidiary of KLE and is therefore considered a related party. **HTC CO_2 Systems** has subcontract expenses for the Period of $9,000 (March 31, 2018 - $28,960) owing to EHR. As of March 31, 2019, there is amounts owing of $3,150 (March 31, 2018- $3,150).

KF Kambeitz Land Corp. ("**Land Corp**") is considered a related party due to one common director. Land Corp has subcontracted support services from **HTC** during the Period of $68,700 (March 31, 2018 - $3,000). As of March 31, 2019, there are amounts owing to **Land Corp** of $Nil (March 31, 2018 – $Nil).

KF Group of Companies ("**KF Group**") is considered a related party due to one common director. KF Group has subcontracted support services from **HTC** during the Period for $1,050 (March 31, 2018 - $Nil). At March 31, 2019 there are no amounts owing (March 31, 2018 - $Nil).

KF Kambeitz Farms Inc. ("**KF Farms**") is considered a related party due to one common director. KF Farms rents facilities on a month to month basis from **HTC. HTC** has rental income during the Period for $2,838. At March 31, 2019 there are amounts receivable of $Nil (March 31, 2018 - $Nil). Monthly rent ceased in February 2019. **KF Farms** provided general contractor services in connection with the construction of **PLT** facilities in prior periods. At March 31, 2019, there is a related party loan of $1,037,158 (March 31, 2018 - $Nil).

PureWest Commodities Inc. ("**PW**") is considered a related party due to one common director. PW rents facilities from **HTC** on a month to month basis. **HTC** has rental income during the Period of $2,175 (March 31, 2018 - $4,410). At March 31, 2019 there are amounts receivable of $813 (March 31, 2018 – $1,663).

These transactions were all conducted in the normal course of business, except the above transaction with KLE.

Also, see Related Party Transaction detail regarding share issuance to two directors of the Corporation, under the caption "Share Capital" above (Note 18) and "Stock Options and Warrants" (Note (19).

Compensation
The key management personnel of the Corporation consist of the executive officers, vice-president, other senior managers and members of the Board. Key management personnel also include those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly.

The Corporation had employment agreements with its Chairman and CEO, and with its Sr. Vice-President and CFO. Compensation was paid in accordance with the remuneration package agreed upon by the Corporation's Compensation Committee and the individuals respectively. These compensation agreements were terminated effective January 1, 2019 and severance related amounts paid out.

HTC has entered into 3 to 4 year, corporate management consulting agreements with the respective parties. Under the terms, **HTC** can terminate the agreements at any time. During the Period compensation was $87,450.

During the Period, the Corporation paid director compensation in the amount of $1,000 (2018 - $Nil). In addition to their salaries, senior management and directors also participate in the Corporation's share-based compensation plans.

Compensation for the Period was $Nil (2018 - $400,000).

25.Financial risk management:

Management's risk management policies are typically performed as a part of the overall management of the Corporation's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Corporation is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Corporation has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Corporation, management considers the avoidance of undue concentrations of risk. These risks and the actions taken to manage them include the following:

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The Corporation's main sources of liquidity are its operations and equity financing. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Corporation's financial obligations associated with financial liabilities. Risk associated with debt financing is mitigated by having negotiating terms over several years and renegotiating terms before they are due.

The timing of cash outflows relating to the financial liabilities are outlined in the table below:

Mar. 31, 2019	**< 1 year**	**1-2 years**	**3-5 years**	**Thereafter**	**Total**
Accounts payable and accrued liabilities	$1,592,647	$ -	$ -	$ -	$ 1,592,647
Operating line of credit	514,200				514,200
Finance lease	71,592	85,863	123,287		280,742
Long term debt	299,997	399,996	1,199,988	5,833,355	7,733,336
Related Party Loan	-	1,031,513	-	-	1,031,513
Balance	**$2,478,436**	**$ 485,859**	**$1,323,275**	**$5,833,355**	**$11,152,438**

Dec. 31, 2018	**< 1 year**	**1-2 years**	**3-5 years**	**Thereafter**	**Total**
Accounts payable and accrued liabilities	$4,059,980	$ -	$ -	$ -	$ 4,059,980
Finance lease	141,664	85,863	146,548		374,075
Long term debt	399,996	399,996	1,199,988	5,833,355	7,833,335
Balance	**$4,601,640**	**$ 485,859**	**$1,346,536**	**$5,833,355**	**$12,267,390**

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation has no significant transactions denominated in foreign currency and is not exposed to any material foreign currency risk, aside from broad unquantifiable macro-economic factors arising from fluctuations in foreign exchange, which could result in Canadian products becoming more expensive to international purchasers.

Foreign exchange risk is primarily associated with contracts for services and contracts of supplies and services. Substantially all of the Corporation’s revenues and expenses are denominated in Canadian dollars, and therefore isolated from foreign exchange risk.

Interest rate risk primarily is associated with interest fluctuations earned on the Corporation’s cash and term deposits and long-term debt. The Corporation mitigates exposure by attempting to match rates and terms to expected cash requirements, and through having the majority of its revenues and expenses denominated in Canadian dollars. Interest risk associated with long term loans is mitigated by arranging terms that extend for multiple years (see Note 17). A 1% change in the prime interest rate would have an impact of $78,333 on the Corporation’s income.

Credit risk is the risk of financial loss if counterparty to a financial transaction fails to meet its obligations. The Corporation attempts to reduce such exposure to its cash and short-term deposits by only investing in low risk investments with Canadian Chartered Banks and taking advantage of government guarantees. The Corporation attempts to reduce its loss on amounts receivable by assessing the ability of the counterparties to fulfill their obligation under contract prior to entering into the contracts and by the nature of customers the Corporation deals with. At March 31, 2019, the Corporation had an allowance for doubtful accounts of $128,600 (March 31, 2018 - $128,600).

Due to the nature of the Corporation's operations, management considers accounts receivable outstanding for 90 days or less, to be current amounts. Over 90 days are also considered current, if extended terms exist and security is provided, or amounts are subject to contract restrictions and performance markers. The aging of the Corporation's accounts receivable at March 31, 2019 and December 31, 2018 is as follows:

	Current	**Over 90 Days**	**Total**
Aging of accounts receivable at Mar. 31, 2019	$939,484	$13,319	$952,803
Aging of accounts receivable at Dec. 31, 2018	$632,304	$60,205	$692,509

26. Capital Disclosures

There are no restrictions on the Corporation's capital. The Corporation's capital is summarized as follows:

	Mar. 31, 2019	**Dec. 31, 2018**
Shareholders' equity	$20,864,356	$21,803,075
Current portion of financing lease	71,592	142,092
Current portion of long-term debt	299,997	399,996
Financing leases	216,050	231,980
Long term debt	7,433,339	7,433,339
Balance	**$28,885,334**	**$30,010,482**

The Corporation's objectives when managing capital are to:

- maintain financial flexibility in order to preserve its ability to meet financial obligations;
- deploy capital to provide an appropriate investment return to its shareholders in the future; and
- maintain a capital structure that allows multiple financing options to the Corporation, should a financing need arise.

The Corporation's financial strategy is designed and formulated to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Corporation may issue new shares, raise debt (secured, unsecured, convertible and/or other types of available debt instruments) or refinance existing debt with different characteristics.

27. Operating Segments

The Corporation has two reportable operating segments: **HTC Extraction Systems** (formerly HTC CO_2 Systems) and **Maxx**, of which there is a material non-controlling interest as described in Note 28.

These operating segments are differentiated by the products and services that each produce. **HTC Extraction Systems** provides products and services related to energy technologies and extraction systems. **Maxx** provides consulting and logistical support for its subsidiary operations and others, should the opportunity arise. **Maxx** is also in the process of developing grain and fertilizer handling facilities at Western Canadian rail locations. Both segments utilize various brands and trading names in their operations.

March 31, 2019	**HTC Extraction Systems**	**Maxx**	**Combined**
Sales	$ 299,415	$ 469,465	$ 768,880
Commercialization, product development and administration	459,409	199,743	659,152
Amortization	38,279	547,844	586,123
Finance costs	834	79,592	80,426
Interest paid on lease liabilities	-	1,453	1,453
Loss from operations	$(199,107)	$ (359,167)	$(558,274)

March 31, 2018	**HTC Extraction Systems**	**Maxx**	**Combined**
Sales	$21,884	$	$21,884
Commercialization, product development and administration	480,813	108,644	589,457
Amortization	91,362	-	91,362
Finance cost	1,920	7,440	9,360
Loss from commercial operations	$(552,211)	$(116,084)	$(668,295)

March 31, 2019	HTC Extraction Systems	Maxx	Combined
Cash	$ 1,876,991	$ 690,861	$ 2,567,852
Property and equipment	75,936	21,841,379	21,917,315
Intangibles	183,200	-	183,200
Total	$2,136,127	$22,532,240	$24,668,367

March 31, 2018	HTC Extraction Systems	Maxx	Combined
Cash	$ 62,596	$3,484,343	$ 3,546,939
Property and equipment	122,039	15,043,973	15,166,012
Intangibles	1,766,506	-	1,766,506
Total	$1,951,141	$18,528,316	$20,479,457

28. Details of non-wholly owned subsidiaries with material non-controlling interest

The portion of net assets and net loss attributable to **Maxx** third party shareholders is reported as non-controlling interests and net loss attributable to non-controlling interests on the Condensed Consolidated Statements of Financial Position and Loss respectively. Non-consolidated details of the revenue and expenses associated with **Maxx** are summarized in Note 27. Additional information is as follows.

	March 31, 2019		December 31, 2018	
	Maxx	HTC	Maxx	HTC
Total assets	$27,850,230	$32,140,345	$20,540,444	$27,222,061
Total liabilities	$3,194,332	$11,275,989	$ 1,523,295	$ 1,761,889

29. Commitments and Contingencies

The Corporation rents office facilities on a month to month basis under a lease agreement with a related party of the Corporation (see Note 24), with minimum monthly rental payments of $9,475.

HTC is engaged in a license dispute with one of its CO_2 capture technology providers. The commercial effect and outcome of this license technology dispute can't be determined at this time. On September 14, 2017 the Court of Queen's Bench of

Saskatchewan, in a summary judgement, awarded preliminary cost recoveries to **HTC**.

HTC's subsidiary **PLT** currently leases land for its facilities for $1,913 per month, per acre. **PLT** has been granted the exclusive option to purchase the land.

HTC's subsidiary **PLT** enters into Grain purchase contracts when product is delivered to the terminal. At the time of delivery, a price is set and 70% of the purchase price is paid to the producer. The remaining 30% is a commitment to pay the producer when the grain is sold, less set-off for storage and service fees. As at March 31, 2019 there was $458,433 owing.

30. Subsequent Events

Subsequent to the Period, on May 24, 2019, HTC announced that conditional upon TSX Venture Exchange Inc. approval and the execution of a definitive agreement relating to a hemp biomass toll extraction and production investment, it will issue 29,750,000 units at a price of $0.10 per unit, for the gross proceeds of $2,975,000. Each Unit will consist of one common share and one common Share purchase warrant. Each warrant will entitle the holder to purchase one common share of HTC of $0.15 per common share for a period of five years after the date of issuance. Warrants are convertible by HTC, in its discretion, into common shares at the conversion price of $0.15 per common share in the event that the common shares trade at $0.80 or more for 20 or more consecutive trading days on the TSX Venture Exchange Inc. Proceeds of the private placement will be used for business development, including hemp biomass toll extraction, processing and general corporate purposes.

On May 30, 2019, HTC further announced that, conditional upon TSX Venture Exchange Inc. approval, it will issue an additional 7,950,000 units at a price of $0.10 per unit, for the gross proceeds of $795,000. Each unit will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of HTC at $0.15 per common share for a period of five years after the date of issuance. Warrants are convertible by HTC, in its discretion, into common shares at the conversion price of $0.15 per common share in the event that the common shares trade at $0.80 or more for 20 or more consecutive trading days on the TSX Venture Exchange Inc. Proceeds of this private placement will also be used for business development, including hemp biomass toll extraction, processing and general corporate purposes.