

SUSTAINABLE PROJECTS GROUP INC.

FORM 10-Q (Quarterly Report)

Filed 05/13/20 for the Period Ending 03/31/20

Address	2316 PINE RIDGE ROAD, 383 NAPLES, FL, 34109
Telephone	239-316-4593
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SIC Code	1311 - Crude Petroleum and Natural Gas
Industry	Integrated Mining
Sector	Basic Materials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2020**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-54875**

SUSTAINABLE PROJECTS GROUP INC.

(Exact name of registrant as specified in its charter)

Incorporated in the State of Nevada

(State or other jurisdiction of
incorporation or organization)

81-5445107

(I.R.S. Employer
Identification No.)

225 Banyan Boulevard, Suite 220, Naples, Florida

(Address of principal executive offices)

34102

(Zip Code)

239-307-2925

(Registrant's telephone number, including area code)

Sustainable Petroleum Group Inc., 2316 Pine Ridge Road, Suite 383, Naples Florida, 34109
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Larger accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding at May 5, 2020
common stock - \$0.0001 par value	7,680,613

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

SUSTAINABLE PROJECTS GROUP INC.

FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

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**SUSTAINABLE PROJECTS GROUP INC.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS**

As at	<u>March 31 2020</u> (Unaudited)	<u>December 31 2019</u> (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 73,165	\$ 68,992
Other receivables – related party - Note 4	-	132,273
Inventory – Note 5	62,077	62,077
Prepaid expenses and deposits – Note 6	14,956	12,521
	<u>150,198</u>	<u>275,863</u>
ROU Asset – lease – Note 7	56,256	72,568
Office Equipment – Note 7	6,772	8,028
Leasehold improvements – Note 7	2,351	2,938
Intangible assets – Note 8	783,991	815,908
	<u>783,991</u>	<u>815,908</u>
TOTAL ASSETS	<u>\$ 999,568</u>	<u>\$ 1,175,305</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities – Note 9	\$ 105,184	\$ 122,327
Amount due to directors – Note 13	33,250	3,750
Amount due to shareholders – Note 13	36,332	36,332
Amount due to related parties – Note 13	32,068	19,403
Lease liability - Note 7	56,717	55,830
Interest payable – Note 10	2,336	1,750
	<u>265,887</u>	<u>239,392</u>
TOTAL CURRENT LIABILITIES	<u>265,887</u>	<u>239,392</u>
NON-CURRENT LIABILITIES		
Notes payable, related party – Note 10	\$ 50,000	\$ 50,000
Convertible note payable, related party – Note 10	20,000	20,000
Obligations under operating lease - Note 7	-	14,365
	<u>70,000</u>	<u>84,365</u>
TOTAL NON-CURRENT LIABILITIES	<u>\$ 70,000</u>	<u>\$ 84,365</u>
TOTAL LIABILITIES	<u>\$ 335,887</u>	<u>\$ 323,757</u>
Commitments and Contingencies	\$ -	\$ -
STOCKHOLDERS' EQUITY		
Common Stock – Note 11 Par Value: \$0.0001 Authorized 500,000,000 shares Common Stock Issued: 7,648,113 (Dec 31, 2019 – 7,648,113)	\$ 765	\$ 765
Additional Paid in Capital	2,747,138	2,747,138
Accumulated Deficit	(2,740,747)	(2,632,115)
Non-controlling interest - Note 12	656,525	735,760
	<u>663,681</u>	<u>851,548</u>
TOTAL STOCKHOLDERS' EQUITY	<u>663,681</u>	<u>851,548</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 999,568</u>	<u>\$ 1,175,305</u>

See accompanying notes to the condensed consolidated interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Revenues		
Revenues	\$ -	\$ 95,000
Operating Expenses		
Administrative and other operating expenses	\$ 25,591	\$ 45,324
Advertising and Promotion	-	3,521
Depreciation	33,760	30,785
Consulting fees	20,000	40,500
Management fees	45,000	22,500
Professional fees	10,250	23,946
Rent	14,183	10,892
Salaries and wages	18,285	57,109
Travel	3,900	7,106
Amortized right of use assets	16,312	16,313
	<u>187,281</u>	<u>257,996</u>
Operating income/loss before interest expense and impairment	(187,281)	(162,996)
Other interest income	-	1,786
Interest expense	<u>(586)</u>	<u>(148)</u>
Operating loss before income taxes	(187,867)	(161,358)
Income Taxes	-	-
Net loss attributed to non-controlling interest	<u>79,235</u>	<u>101,799</u>
Net loss and comprehensive loss	<u>\$ (108,632)</u>	<u>\$ (59,559)</u>
Loss per share of common stock		
-Basic and diluted	<u>\$ (0.014)</u>	<u>\$ (0.008)</u>
Weighted average no. of shares of common stock		
-Basic and diluted	<u>7,648,113</u>	<u>7,647,710</u>

See accompanying notes to the condensed consolidated interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended March 31, 2020 and 2019
(Unaudited)

<i>For March 31, 2020</i>	<i>Common Shares</i>	<i>par value at \$0.0001 Amount</i>	<i>Additional Paid-in Capital</i>	<i>Shares Subscribed</i>	<i>Accumulated Deficit</i>	<i>Non- Controlling Interests</i>	<i>Total</i>
Balance, December 31, 2019	7,648,113	\$ 765	\$ 2,747,138	\$ -	\$ (2,632,115)	\$ 735,760	\$ 851,548
Net loss and comprehensive loss	-	-	-	-	(108,632)	(79,235)	(187,867)
Balance, March 31, 2020	7,648,113	\$ 765	\$ 2,747,138	\$ -	\$ (2,740,747)	\$ 656,525	\$ 663,681
<i>For March 31, 2019</i>	<i>Common Shares</i>	<i>par value at \$0.0001 Amount</i>	<i>Additional Paid-in Capital</i>	<i>Shares Subscribed</i>	<i>Accumulated Deficit</i>	<i>Non- Controlling Interests</i>	<i>Total</i>
Balance, December 31, 2018	7,647,388	\$ 765	\$ 2,745,145	\$ -	\$ (2,108,371)	\$ 1,265,764	\$ 1,903,303
Shares issued at \$2.75	725	-	1,993	-	-	-	1,993
Non-controlling interests	-	-	-	-	-	50,000	50,000
Net loss and comprehensive loss	-	-	-	-	(59,559)	(101,799)	(161,358)
Balance, March 31, 2019	7,648,113	\$ 765	\$ 2,747,138	\$ -	\$ (2,167,930)	\$ 1,213,965	\$ 1,793,938

See accompanying notes to the condensed consolidated interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Cash Flows from operating activities:		
Net loss and comprehensive loss	\$ (187,867)	\$ (161,358)
Adjustments to reconcile net income(loss) to net cash used in operating activities:		
Depreciation	33,760	30,785
Interest on receivables	-	(1,786)
Lease interest	575	1,036
Amortization of ROU asset - Vehicle	2,840	2,840
Amortization of ROU asset - Office lease	13,472	13,473
Changes in current assets and liabilities		
Prepaid expenses	(2,435)	18,654
Inventory	-	(4,211)
Other receivables	132,273	176,325
Interest payable	586	148
Accounts payable and accrued expenses	(4,478)	(48,141)
Amount due to directors	29,500	-
Amount due to shareholders	-	11,243
Deferred revenue	-	7,999
Payment of lease liability	(14,053)	(13,658)
Net cash provided by (used in) operating activities	<u>\$ 4,173</u>	<u>\$ 33,349</u>
Cash Flows from investing activities:		
Acquisition of Office Equipment	-	(1,172)
Net Cash used in investing activities	<u>\$ -</u>	<u>\$ (1,172)</u>
Cash Flows from financing activities:		
Proceeds from issuance of common stock	-	1,993
Proceeds from notes payable	-	50,000
Non-controlling interest	-	50,000
Net Cash generated from financing activities	<u>\$ -</u>	<u>\$ 101,993</u>
Net (decrease) increase in cash and cash equivalents	4,173	134,170
Cash and cash equivalents at beginning of period	68,992	249,675
Cash and cash equivalents at end of period	<u>\$ 73,165</u>	<u>\$ 383,845</u>
Supplemental Disclosures		
Cash paid for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See accompanying notes to the condensed consolidated interim financial statements

SUSTAINABLE PROJECTS GROUP INC.
NOTES TO THE CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS
March 31, 2020

1. Organization and Nature of Operations

Sustainable Projects Group Inc. (“the Company”) was incorporated in the State of Nevada, USA on September 4, 2009 as Blue Spa Incorporated which was engaged in the development of an internet based retailer of a multi-channel concept combining a wholesale distribution with a retail strategy relating to the quality personal care products, fitness apparel and related accessories. On December 19, 2016, the Company amended its name from “Blue Spa Incorporated” to “Sustainable Petroleum Group Inc.” On September 6, 2017, the Company obtained a majority vote from its shareholders to amend the Company’s name from “Sustainable Petroleum Group Inc.” to “Sustainable Projects Group Inc.” to better reflect the business it has undertaken. The name change was effective on October 20, 2017.

The Company is a multinational business development company that pursue investments and partnerships with companies across sustainable sectors. It is continually evaluating and acquiring assets for holding and/or for development. The Company is involved in mineral exploration, consulting services and collaborative partnerships.

The Company has changed its year end to December 31.

2. Going Concern

These condensed consolidated unaudited interim financial statements have been prepared in conformity with generally accepted accounting principles in the United States or “GAAP”, which contemplate continuation of the Company as a going concern. However, the Company has limited operations and has sustained operating losses resulting in a deficit. In view of these matters, realization of a major portion of the assets in the accompanying balance sheet is dependent upon the continued operations of the Company, which in turn is dependent upon the Company’s ability to meet its financing requirements, and the success of its future operations.

The Company has accumulated a deficit of \$2,740,747 since inception and has yet to achieve profitable operations and further losses are anticipated in the development of its business. The Company’s ability to continue as a going concern is in substantial doubt and is dependent upon obtaining additional financing and/or achieving a sustainable profitable level of operations. The consolidated unaudited interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has \$73,165 cash on hand as at March 31, 2020. Cash provided by operations was \$4,173 for the three months ended March 31, 2020. The Company will need to raise additional cash in order to fund ongoing operations over the next 12 months period. The Company may seek additional equity as necessary and it expects to raise funds through private or public equity investment in order to support existing operations and expand the range of its business. There is no assurance that such additional funds will be available for the Company on acceptable terms, if at all.

3. Summary of principal accounting policies

Basis of presentation

While the information presented is unaudited, it includes all adjustments, which are, in our opinion of management, necessary to present fairly the financial position, result of operations and cashflows for the interim period presented in accordance with accounting principles generally accepted in the United States of America. All adjustments are of a normal recurring nature. These consolidated interim financial statements should be read in conjunction with the Company's December 31, 2019 annual financial statements. Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that can be expected for the period ended December 31, 2020.

The accompanying condensed consolidated unaudited interim financial statements include the accounts of the Company and its joint ventures, Hero Wellness Systems Inc. (formerly Vitalizer Americas Inc.) and Cormo USA Inc. The Company controls 55% of Hero Wellness Systems Inc. and 35% of Cormo USA Inc. Pursuant to Accounting Standards Codification Topic 810, both of these companies are considered variable interest entities that requires the Company to consolidate. All intercompany balances and transactions have been eliminated in the consolidation. The operating results of the joint ventures have been included in the Company's consolidated financial statements. The non-controlling interest that were not attributable to the Company have been reported separately. (See Note 12, Note 13).

Significant Accounting Policies

There have been no material changes in the Company's significant accounting policies to those previously disclosed in the December 31, 2019 annual report.

Use of estimates

The preparation of the consolidated interim financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management makes its best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available to management. Actual results could differ from those estimates.

Foreign currency translations

The Company maintains an office in Naples, Florida. The functional currency of the Company is the U.S. Dollar. At the transaction date, each asset, liability, revenue and expense is translated into U.S. dollars by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities are re-measured by using the exchange rate in effect at that date.

Deferred revenue

Deferred revenue is a short-term liability that represents revenues received but not earned. When the Company recognizes its revenue, the deferred revenue liability will be eliminated. As at March 31, 2020, the Company's joint venture received \$Nil in deferred revenue (March 31, 2019 - \$7,999).

Revenue Recognition

In May 2014, the FASB issued guidance on the recognition of Revenue from Contracts with Customers. The core principle of the guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services. To achieve this core principle, the guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance addresses several areas including transfer of control, contracts with multiple performance obligations, and costs to obtain and fulfill contracts. The guidance also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract.

The Company adopted the ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”), from June 01, 2018 using the modified retrospective method. Revenues for the year ended December 31, 2018 were not adjusted. The adoption of Topic 606 did not have a material impact to the Company’s financial statements. The Company recognizes revenue when the Company transfers promised services to the customer. The performance obligation is the monthly services rendered. The Company has one main revenue source which is providing consulting services. Accordingly, the Company recognizes revenue from consulting services when the Company’s performance obligation is complete. Where there is a contract for services, the Company perform the obligations and bills monthly for its services as rendered. Where there is no contract, the Company performs the obligation and/or service and recognize revenues as provided. Even though the Company entered into contract with the customer, the contract could be terminated at any time with notice. The Company may receive payments from customers in advance of the satisfaction of performance obligations for services. These advance payments are recognized as deferred revenue until the performance obligations are completed and then, recognized as revenues. The Company has one contract with one related party customer with a time period requirement for notice of termination. Termination penalties are non-substantive and can be performed by either party. As at March 31, 2020, there was no revenue to report.

Accounts receivables

Trade accounts receivable are stated at the amount the Company expects to collect. Management considers the following factors when determining the collectability of specific customer accounts: customer credit worthiness, past transaction history, current economic industry trends and changes in customer payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. Based on the management’s assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Segment Reporting

The Company reports segment information based on the “management” approach. The management approach designates the internal reporting used by management for making decisions and assessing performance of its corporation wide basis in comparison to its various businesses. The Company has three reportable segments. The business operating ventures consist of Hero Wellness Systems, Cormo USA and Sustainable Projects Group. The segments are determined based on several factors including the nature of products and services, nature of production processes and delivery channels and consultancy services. The operating segment’s performance is evaluated based on its segment income. Segment income is defined as the net sales less cost of sales, general and administrative expenses and does not include amortization of any sorts, stock-based compensation or any other charges (income), and interest. As at March 31, 2020, there were no revenues to report.

	For the three months ended Mar 31, 2020	For the three months ended Mar 31, 2019	For the twelve months ended Dec 31, 2019
Net Sales			
Sustainable Projects Group	\$ -	\$ 95,000	\$ 95,986
Hero Wellness Systems	-	-	6,080
Cormo USA	-	-	-
Total Sales	\$ -	\$ 95,000	\$ 103,066
Total Assets			
Sustainable Projects Group	\$ 285,158	\$ 899,380	\$ 423,984
Hero Wellness Systems	62,958	168,876	66,686
Cormo USA	651,452	1,019,736	684,635
Total Assets	\$ 999,568	\$ 2,087,992	\$ 1,175,305

Recently issued accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses”. The ASU sets forth a “current expected credit loss” (CECL) model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost and applies to some off-balance sheet credit exposures. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. Recently, the FASB issued the final ASU to delay adoption for smaller reporting companies to calendar year 2023. The Company is currently assessing the impact of the adoption of this ASU on its financial statements.

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date. Management does not believe that any pronouncements not included above will have a material effect on the accompanying financial statements.

4. Other receivables – related party

On January 18, 2018, the Company entered into an agreement with Amixca AG for a period of three years commencing February 1, 2018 in which Amixca AG has agreed to provide business development services. The prepayment of \$190,000 to Amixca AG was supposed to serve as consulting fees over the next three year period. The consulting agreement with Amixca AG was never utilized and Amixca AG did not provide any services. The consulting agreement was annulled and Amixca AG agreed to return the deposit with a payment schedule spanning over a year, beginning July 5, 2019 of \$20,000 and thereafter, the first of every month of \$15,455 until the full \$190,000 has been repaid. At March 31, 2020, the full amount was repaid.

5. Inventory

Inventories are stated at the lower of cost or net realizable value using the first-in, first out (FIFO) cost method of accounting. Cost is determined using the first in, first out (FIFO) cost method. Costs include the cost of purchase and transportation costs that are directly incurred to bring the inventories to their present location, and duty. Net realizable value is the estimated selling price of the inventory in the ordinary course of business, less any estimated selling costs. At March 31, 2020, inventory consists of 3-D massage chairs from Hero Wellness Systems Inc. of \$62,077.

6. Prepaid expenses and deposits

	<u>Mar 31, 2020</u>	<u>Dec 31, 2019</u>
Prepaid expenses	\$ 9,956	\$ 7,521
Deposit on lease	5,000	5,000
Total	<u>\$ 14,956</u>	<u>\$ 12,521</u>

7. Assets

Right of Use Asset – Vehicle Lease

On June 12, 2018, the Company entered into an operating vehicle lease for a period of two years. The Company made an upfront payment of \$22,724 for its obligation which covered all the monthly lease payments. The Company intends to return the vehicle at the end of the lease period. At March 31, 2020, the remaining right of use asset was \$2,367.

Right of Use Asset	\$ 22,724
Accum Amortization	\$ (20,357)
	<u>\$ 2,367</u>

Right of Use Asset – Office Lease

On June 18, 2018, the Company entered into a sublease agreement to rent office space in Naples, Florida. The office lease commences September 01, 2018 through to March 31, 2021. The monthly base rent for the first year is \$4,552.56 (annual \$54,630.75); the monthly base rent for the second year is \$4,684.52 (annual \$56,214.25); and the monthly base rent for the third year is \$4,816.48 (annual \$57,797.75). The Company has elected to separate the lease and non-lease components. The following remaining annual minimum lease commitments under the lease do not include CAM costs and taxes:

2020	\$	43,349
2021		14,449
	\$	<u>57,798</u>
Amount representing interest		(1,081)
Lease obligation, net	\$	<u>56,717</u>
Less current portion		(56,717)
Lease obligation - long term	\$	<u><u>-</u></u>

The remaining office lease liability at March 31, 2020 was \$56,717.

At March 31, 2020, the remaining right of use asset for the office lease was \$53,889. An annual rate of 3.5% was used which is the rate used for loans in the Company. The right of use asset is being amortized over the duration of the lease.

Right of Use Asset	\$	139,212
Accum Amortization	\$	(85,323)
	\$	<u><u>53,889</u></u>

Leasehold Improvements

The leasehold improvements for the Florida office will be depreciated straight-line over the term of the office lease commencing September 1, 2018 and ending March 31, 2021.

<i>For Florida office</i>	<u>Mar 31, 2020</u>	<u>Dec 31, 2019</u>
Cost	\$ 6,072	\$ 6,072
Accumulated Depreciation	(3,721)	(3,134)
Net	<u>\$ 2,351</u>	<u>\$ 2,938</u>

Office Furniture and Equipment

The office furniture and equipment are depreciated straight-line for a period of 3 years.

<i>Furniture & Equipment</i>	<u>Mar 31, 2020</u>	<u>Dec 31, 2019</u>
Cost	\$ 13,698	\$ 13,698
Additions	1,394	1,394
Accumulated Depreciation	(8,320)	(7,064)
Net	<u>\$ 6,772</u>	<u>\$ 8,028</u>

8. Intangible Assets

The Company entered into an agreement with Global Gaming Media Inc., a company with a common majority shareholder and acquired the Gator Lotto App on May 25, 2018 by issuing 100,000 restricted shares at \$4.00 per share for the valuation of \$400,000. The purchase includes the application for the Florida lotteries, all software rights to the Gator Lotto App, the domain, etc. The Company spent an additional \$11,000 toward development costs. The Company commenced amortization of its intangible asset over a three-year period effective January 2019. The latest version of the Lotto App was launched February 2019. At December 31, 2018, the Company recorded an impairment of \$168,000 was required which approximate its market value. The Company currently does not have the resources to exploit the app and may consider selling this asset in the future.

Cormo USA Inc., the joint venture with the Company, has an exclusive license agreement from Cormo AG (of Switzerland) for North America. The exclusive license includes, but not limited to, the intellectual property, know-how, patent trade marks and all present and future process improvements, product applications and related know how from Cormo AG. As part of the joint venture agreement, Cormo AG's contribution for its 35% interest was the license to Cormo USA. The license was valued to be \$700,000 pursuant to its authorized share capital. The license will be amortized over its estimated useful life of fifteen years. The amortization commenced January 1, 2019. The following is the amortization amounts for each of the next five years:

Remaining 2020	\$	35,000
2021	\$	46,666
2022	\$	46,666
2023	\$	46,666
2024	\$	46,666
And thereafter	\$	420,003

Summary of intangibles:

	<u>Cost less Impairment</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Gator Lotto App	\$ 243,000	\$ 101,250	\$ 141,750
License	700,000	58,333	641,667
Trademark	574	-	574
	<u>\$ 943,574</u>	<u>\$ 159,583</u>	<u>\$ 783,991</u>

9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as of March 31, 2020 are summarized as follows:

	<u>March 31, 2020</u>	<u>Dec 31, 2019</u>
Accrued audit fees	\$ 13,750	\$ 42,750
Accrued accounting fees	13,000	26,000
Accrued legal fees	23,040	23,040
Accrued office expenses	55,394	30,537
Total	<u>\$ 105,184</u>	<u>\$ 122,327</u>

10. Notes Payable

On March 1, 2019, the Company entered into a loan agreement with a shareholder for \$50,000 with an interest rate of 3.5% per annum. The loan is due on or before April 15, 2022. As at March 31, 2020, there was \$1,903 in accrued interest (see Note 13).

On July 12, 2019, the Company entered into a convertible loan agreement with a relative of the CEO for \$20,000 with an interest rate of 3.0% per annum. The loan is due on or before July 12, 2022. The lender has the option to convert the whole loan and the accrued interest into shares of the Company at the price of \$1.45 per share. The closing price of the Company's stock was \$1.45 at July 11, 2019. As at March 31, 2020, there was \$432 in accrued interest (See Note 13).

11. Common stock

There were no share transactions during the three months ended March 31, 2020,

Share transactions during the twelve months ended December 31, 2019:

- a) Issued 725 shares of common stock for cash at \$2.75 per share.

12. Equity in joint venture, Non-controlling interest

The Company is involved in two joint venture businesses and has a majority control of both Hero Wellness Systems Inc. and Cormo USA Inc. Pursuant to Accounting Standards Codification Topic 810, both of these companies are considered variable interest entities that requires the Company to consolidate. It runs the day to day operations, makes all managerial decisions and has the voting power over these entities. The Company will provide and help in the financial support of these ventures, on an as needed basis.

Hero Wellness Systems Inc.

The Company has a controlling interest of 55% in a joint venture of Hero Wellness Systems Inc. (formerly Vitalizer Americas Inc.) (See Note 13). Hero Wellness Systems Inc. is in the business of importing, marketing, distribution and sale of luxury massage therapeutic chairs. As at March 31, 2020, Hero Wellness Systems is still in its early stages of development. The company participated in several conferences in 2019 to showcase and introduce its products in the market. The company has ordered and received inventory for sale. The following summary information on the joint venture amounts are based on contributions received from activities since inception through to March 31, 2020 and December 31, 2019:

	Mar 31, 2020	Dec 31, 2019
Assets	\$ 68,513	\$ 109,709
Liabilities	(14,320)	(6,178)
Net Assets	\$ 54,193	\$ 103,531
Revenues	\$ -	\$ 8,743
Expenses	(49,338)	(237,710)
Net Income	\$ (49,338)	\$ (228,967)
Company's joint venture interest portion on net income	\$ (27,136)	\$ (125,932)
Company's Capital contribution to joint venture	\$ 286,825	\$ 250,191
Company's joint venture interest portion in net assets	\$ 29,806	\$ 56,942
Non-controlling joint venture interest on net income	\$ (22,202)	\$ (103,035)
Total Equity of Joint Venture	\$ 443,275	\$ 443,275
Company's portion of the Joint Venture	286,825	286,825
Non-controlling interest portion in equity	\$ 156,450	\$ 156,450

Cormo USA Inc.

The Company has a controlling interest of 35% in a joint venture of Cormo USA Inc. (See Note 13) Cormo USA Inc. is in the business of producing and developing peat moss replacement and natural foam products and technologies. Cormo USA was incorporated November 2018 and just started to set up its business. The company is researching viable properties to set up its manufacturing plant. It is also investigating various economic development programs for assistance to build its plant and operations. The following summary information on the joint venture amounts are based on contributions received from activities since inception through to March 31, 2020 and December 31, 2019:

	Mar 31, 2020	Dec 31, 2019
Assets	\$ 1,109,195	\$ 1,191,843
Liabilities	(16,637)	(11,543)
Net Assets	\$ 1,092,558	\$ 1,180,301
Revenues	\$ -	\$ -
Expenses	(87,743)	(690,375)
Net Income	\$ (87,743)	\$ (690,375)
Company's joint venture interest portion of net income	\$ (30,710)	\$ (241,631)
Company's Capital contribution to joint venture	\$ 296,592	\$ 247,647
Company's joint venture interest share in net assets	\$ 382,395	\$ 413,105
Non-controlling joint venture interest on net income	\$ (57,033)	\$ (448,744)
Total equity of joint venture received	\$ 1,900,000	\$ 1,900,000
Company's portion of the joint venture	700,000	700,000
Non-controlling interest portion in equity	\$ 1,200,000	\$ 1,200,000

In summary, the total aggregate non-controlling joint venture interest on net income for the period was (\$79,235) (Dec 2019 - \$(551,779)) and the total aggregate non-controlling joint venture interest in equity was \$ 1,356,450 since inception to March 31, 2020 (Dec 31, 2019 - \$1,356,450).

	<u>Mar 31, 2020</u>	<u>Dec 31, 2019</u>
For Hero Wellness Systems Inc.	\$ (22,202)	\$ (103,035)
For Cormo USA Inc.	(57,033)	(448,744)
Total non-controlling joint venture interest on net income current period	<u>\$ (79,235)</u>	<u>\$ (551,779)</u>
For Hero Wellness Systems Inc.	\$ 156,450	\$ 156,450
For Cormo USA Inc.	1,200,000	1,200,000
Total non-controlling joint venture interest in equity	<u>\$ 1,356,450</u>	<u>\$ 1,356,450</u>
Less total non-controlling joint venture interest on net income in prior period	(620,690)	(68,911)
Less total non-controlling joint venture interest on net income, current period	(79,235)	(551,779)
Total non-controlling joint venture interest	<u><u>\$ 656,525</u></u>	<u><u>\$ 735,760</u></u>

13. Related party transactions

During the period ended March 31, 2020, the Company incurred management fees from a director totaling an aggregate of \$45,000 (December 31, 2019 - \$127,500). As at March 31, 2020, \$33,250 was owing to a director for management fees. During the period ended March 31, 2020, the Company incurred management fees from an officer who is a relative of the CEO, totaling \$15,000 (December 31, 2019 - \$58,269). As at March 31, 2020, \$12,766 was owing to an officer for salaries.

During the period ended March 31, 2020, the Company owed \$36,332 to shareholders for expenses paid on behalf of the Company and consulting fees (December 31, 2019 - \$36,332).

During the period ended March 31, 2020, the Company incurred \$Nil to a company with a director and officer in common for website/app maintenance (December 31, 2019 - \$9,500), and owe \$19,301 for office expenses (December 31, 2019 - \$19,403)

During the period ending March 31, 2020, the Company owed \$1,903 (December 31, 2019 - \$1,467) for interest to a shareholder of the Company for a note payable with a principal amount of \$50,000. The loan bears an annual interest rate of 3.5% and is due on or before April 15, 2022 (see Note 10).

During the period ending March 31, 2020, the Company owed \$432 (December 31, 2019 - \$283) for interest to a relative of the CEO for a convertible note payable with a principal amount of \$20,000. The loan bears an annual interest rate of 3.0% and is due on or before July 12, 2022. The lender has the option to convert the whole loan and the accrued interest into shares of the Company at the price of \$1.45 per share. The closing price of the Company's stock was \$1.45 at July 11, 2019. (see Note 10).

Transactions in Joint Ventures

The Company is involved in two joint venture businesses and has a majority control of both Hero Wellness Systems Inc. and Cormo USA Inc. Pursuant to Accounting Standards Codification Topic 810, both of these companies are considered variable interest entities that requires the Company to consolidate. It runs the day to day operations, makes all managerial decisions and has the voting power over these entities. The Company will provide and help in the financial support of these ventures, on an as needed basis.

Hero Wellness Systems Inc.

On September 29, 2018, the Company entered into a joint venture agreement with Vitalizer Americas Inc. with its principal purpose to import, sale and distribute certain products offered by Vitalizer International AG of Switzerland. In April 2019, Vitalizer Americas Inc.'s name was changed to Hero Wellness Systems Inc. as it was no longer dealing with Vitalizer International AG. The Company holds 55% interest, Christopher Grunder of Workplan Holding Inc. holds 15% interest and Kurt Muehlbauer holds 15% interest. Hero Wellness Systems is in the business of providing luxury massage therapy solutions. The operating results of Hero Wellness Systems Inc. have been incorporated in the consolidated financial statements of the Company. The non-controlling interest that were not attributable to the Company have been reported separately.

Cormo USA Inc.

The Company entered into a letter of intent with Cormo AG on October 25, 2018 to form a joint venture agreement for the Company to provide business development, market research, sourcing, distribution and overall operations of Cormo AG's exclusive unrestricted use of its patents and licenses in North America. Cormo AG is in the business of producing and developing peat moss replacement, natural foam products and technologies. On February 25, 2019 the joint venture shareholders' agreement was finalized with a group of investors whereby the Company holds 35% interest, Cormo AG holds 35% interest, Paul Meier holds 2.5% interest, Stefan Muehlbauer holds 2.5% interest, and other investors hold an aggregate of 25% interest. As of the date of this report, the other investors contributed an aggregate of \$400,000 to the joint venture. The operating results of Cormo USA Inc. have been incorporated in the consolidated financial statements of the Company. The non-controlling interest that were not attributable to the Company have been reported separately.

14. Subsequent events

Subsequent to March 31, 2020, the following events took place:

On May 5, 2020, the Company accepted the resignation of Mrs. Fani-Grunder, a director of the Company.

On May 5, 2020, the Company entered into a promissory note with the Bank of America of \$52,327 pursuant to the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The loan has a two year term and bears interest at a rate of 1.0% per annum. The monthly principal and interest payments are deferred for six months after the date of disbursement. The PPP loan may be paid back at any time prior to the maturity date with no penalties.

On May 5, 2020, the Company issued 32,500 shares to a vendor for services rendered in lieu of payment.

On May 8th, the Company entered into a Letter of Intent with Sawyer & Samantha Sparks to purchase all marketing rights, production know-how and limited existing inventory and equipment (the “Assets”) of Soy-yer Dough. Soy-yer Dough is a gluten free modeling clay.

On May 1, 2020, the Company’s joint venture Cormo USA Inc. entered into a commercial lease of approximately 100,000 square feet of building space for one year with an option to renew. The monthly rent is \$12,500.

Effective May 1, 2020, the Company’s joint venture Cormo USA Inc. entered into a Development Agreement with the City of Rushville, Rushville Development Commission, and Rushville Economic Development Commission (the “City Parties”) to do business in Indiana. The City Parties is assisting Cormo USA Inc. with its business in Indiana and have provided financial incentives of up to \$1,100,000 for Cormo USA Inc. to pay for its project costs. These include:

1. Cash incentives sufficient to reimburse the acquisition of twenty acres of property in the Commerce Park at Rushville following purchase of site in the Commerce Park at Rushville which shall be subject to rights of first refusal and repurchase rights on the purchased site granted to the City
2. A commitment that at least twenty acres of land in the Commerce Park at Rushville or equivalent property suitable for the contemplated commercial development shall be kept available for a period of two years
3. Up to \$225,000 in the form of forgivable loan
4. An initial 3 year tax abatement on eligible personal property in place in Rushville in 2020 with an alternative phase-in schedule of 100%, 67% and 33%
5. Tax abatement for future eligible personal property and real property improvements at a standard ten year tax abatement schedule

On May 1, 2020, Cormo USA Inc. entered into a forgivable loan agreement and promissory note with the City of Rushville, Indiana in conjunction to the Development Agreement of \$225,000 at 0% interest rate over a two year period.

The Company evaluated all events and transactions that occurred after March 31, 2020 through the date the Company issued these financial statements and found no other subsequent events that needed to be reported.

Sustainable Projects Group Inc.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Cautionary Note Regarding Forward Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statements regarding Sustainable Projects Group Inc.'s (the "Company" or "SPGX") capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the Company's ability to carry out its planned development and production of products. Forward-looking statements are made, without limitation, in relation to the Company's operating plans, the Company's liquidity and financial condition, availability of funds, operating and exploration costs and the market in which the Company competes. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined below, and, from time to time, in other reports the Company files with the SEC. These factors may cause the Company's actual results to differ materially from any forward-looking statement. The Company disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Overview

The following discussion of Sustainable Projects Group Inc.'s (the "Company") financial condition, changes in financial condition and results of operations for the three months ended March 31, 2020 should be read in conjunction with the Company's unaudited consolidated interim financial statements and related notes for the three months ended March 31, 2020.

Sustainable Projects Group Inc. is a business development company engaged in project development and holdings through value based investments and collaborative partnerships with companies across sustainable sectors. It is continually evaluating and acquiring assets for holding and or development. The Company initiated its goals by pursuing investment and partnerships amongst diversified holdings and companies globally. The Company is currently involved in the evaluation and acquisition of assets and partnerships for holding or business development activities with a continued focus on sustainability projects.

Plan of Operation

The Company's plan of operation for the next 12 months is to continue to evaluate and acquire assets and partnerships for holding or business development activities, and to collaborate, develop and create new assets with a continued focus on sustainability. The Company is currently evaluating other projects to find attractive partnerships to expand the Company's business development activities. Other projects of interest that management is currently researching are in the field of sustainability. Currently, the Company is engaged in the following projects:

1. Cormo USA Inc.;
2. Gator Lotto;
3. Hero Wellness Systems Inc. and
4. YER Brands Inc.

1. Cormo USA Inc.

Cormo USA Inc. – Based on a letter of intent and a shareholder agreement, the Company entered into a joint venture with Cormo AG, a company incorporated in Switzerland, to assist in the business development of Cormo’s operations in the United States. Cormo AG is in the business of producing and developing peat moss replacement and natural foam products and technologies. Also, for its participation in the joint venture, the Company will be required to provide certain services, including U.S. business development, management, market research, and determination of potential distribution channels. Under the agreement, Cormo USA Inc has exclusive marketing and distribution rights to Cormo AG’s sustainable agriculture business and suite of patents. Cormo’s technology allows field waste from maize farms to be turned into a variety of products, including peat moss. In May 2019, a site was chosen for its first production facility, with production scheduled to start in late fall of 2020. The joint venture is controlled by Cormo AG (35%) and the Company (35%) equally with the balance of shares held by eight non-controlling shareholders.

Cormo USA Inc. is currently in its development stage and in the process of establishing the first pilot project in the United States. Cormo USA Inc. intends to utilize the substantial corn production volume in the U.S. to gain a foothold in the agricultural industry and provide a revenue source for struggling farmers. Likewise, the company offers a viable alternative to harvested peat moss, a major source of carbon dioxide (CO₂). Major consumers of peat moss, such as the horticultural industry are looking for a stable, price beneficial solution for their peat moss needs. At this time Cormo USA Inc. has initiated early discussions with several major industry partners and peat moss consumers across the United States. Additionally, Cormo USA Inc. is in the process of establishing industry partnerships to develop additional applications for the company’s foam replacement product BABS.

For the future, the company anticipates the distribution of peat moss replacement TEFA through its own brand of soil blends through retail channels and wholesale through partnerships with industrial end-users.

The main uses of the company’s BABS foam replacement are in the agricultural, industrial, and building materials industry. At this point, the company is in development stages with proven prototypes in the segments air filtrations and building materials.

Cormo USA’s products are sustainable replacements for existing, widely-used materials, such as peat moss, building bricks and air filters. While “being green” is an attribute that speaks loudly, the Company realizes that it is operating in a crowded market space where the price is a bigger motivator for customers than sustainability. Hence, it will be vitally important for the company to operate under strict cost controls to fulfill its mission to offer “greener, better solutions – at better prices” to be commercially successful.

On May 1st, 2020 Cormo USA Inc. signed a 2 year lease for an interim 108,000 sq ft. production site in Rushville, IN as the company finalizes plans to construct its own 20-acre state-of-the art facility at the Rushville Commerce Park. Rushville, IN offers an excellent combination of access to raw materials (the region has 100’s of thousands addressable acres of cornfields) and logistics given Indiana’s beneficial location and connection to the United States Road, Rail and Ship transport channels. The company has begun site improvements at the Rushville site, starting on May 1st and will continue with site improvements into the early summer in anticipation of production equipment assembly and commission in time for the 2020 corn harvest.

2. Gator Lotto

Gator Lotto – In 2018 the Company acquired all technology assets including source code, graphics, and online assets for US\$400,000 through the issuance of new shares. SPGX aims to commercialize this project which features a fully functioning lotto ticket management app (currently in version 2.0) with more than 40,000 downloads. Management plans to spin out this technology into a newly formed partnership within the next 24 months with the aim to increase monetization, user growth and eventual sale or licensing. The Company spent an additional \$11,000 to further develop the technology in 2019. See Exhibit 10.12 - Asset Purchase Agreement for more details.

The latest version of the Lotto App was launched February 2019. The product currently covers lottery players in the state of Florida. The app is available for download on Android (Google Play) and iOS (App Store) and its associated website www.gatorlotto.com. The app is currently in Version 2.0 offering stable optical character recognition of all major lottery games offered in the state of Florida, with real time updates.

The Company determined that an impairment of \$168,000 was required which approximate its market value. The Company currently does not have the resources to exploit the app and may consider selling this asset in the future. Based on few operational lottery apps in the United States app stores, the company believes that it has a superior app to competitors and sees this as an asset.

3. *Hero Wellness Systems Inc.*

Hero Wellness Systems Inc. (“Hero Wellness”) –Pursuant to the terms and conditions of a shareholder’s agreement dated in September 29, 2018, the Company entered into a joint venture relationship originally for the purpose of importing, selling and distributing products offered by Vitalizer International of Switzerland. However, due to supplies and other processing issues, Hero Wellness has sourced its own supplier and is now importing, selling and distributing its own products. The Company’s participation in the joint venture is 55%. The Company’s role is to provide certain services, including general management and day to day operations of the joint venture. Currently, the joint venture is comprised of the following ownership: 55% the Company with the balance of ownership held by two non-controlling owners.

The Company is focused on the retail and B2B market segment of the lifestyle and healthcare markets. B2B clients consist of spas and salons, hotels and hospitality and entertainment venues in the United States. Additionally the company is active in the distribution of its Hero Chroma massage chair through its webstore www.herochroma.com and additional websites operated by the company. The company is also in discussions with several brick and mortar retail furniture, specialty sports and massage equipment establishments.

Hero Wellness Systems Inc. is dependent upon a functioning supply chain, as it sources finished products from its suppliers in China. Hero Wellness sees this as a risk-factor and is looking for alternative suppliers at this time. Thus far, the supplier has never experienced inventory shortfalls. Additionally, due to its wide marketing strategy, targeting retail customers through internet sales, as well as key account management to gain corporate customers, Hero Wellness is not dependent on singular customers. However, the company’s products are considered luxury lifestyle products and thus are dependent on healthy consumer spending behavior. Slowdowns in consumer confidence could have a negative impact on purchasing behavior of these types of products all across the economy.

Hero Wellness Systems operates in a crowded market place. Several providers of massage chair products from low-end to high-end exist. Hero Wellness Systems Inc. operates in the high end-spectrum, competing against a number of established companies. The company aims to differentiate itself from existing providers through a higher level of service, including white glove delivery and significantly cheaper delivery times (through a US based logistics hub provider).

4. *Soy-yer Dough*

On May 8th, 2020 Sustainable Projects Group Inc. signed a letter of intent with inventors of the Soy-yer Dough product line, Sawyer and Samantha Sparks, to purchase all production rights, know-how, trademarks and manufacturing equipment of Soy-yer Dough. Soy-yer Dough is a soy and corn-based, gluten free modeling clay. It is estimated that up 6% of the US population suffers from some form of gluten intolerance, with approximately 1% of the US population suffering from the more severe form, Celiac Disease.

The product gained initial commercial success when it was featured on the TV Show ABC's Shark Tank and was named as one of the most innovative product inventions by college students in the New York Times newspaper. Since its invention, the product has been sold in all 50 states in the United States, and to a smaller extent internationally, both online and in retail locations. However, with limited production capabilities and resources, growth prospects were limited.

Sustainable Projects Group has formed YER Brands Inc. as a wholly-owned subsidiary to establish increased production and distribution capabilities of the Soy-yer Dough product line. Inventor and face of the brand, Sawyer Sparks, has agreed to take on the CEO position, while his wife and co-inventor Samantha Sparks will be responsible for production. Production facilities will be co-located with SPGX's portfolio company's, Cormo USA Inc, 108,000 square foot manufacturing facility to benefit from raw material sourcing, logistics and marketing infrastructure synergies. As of May 8th, the new company has begun site improvement at the Rushville production site and is anticipated to produce and ship first retail-ready products by mid-may 2020.

Previously Soy-yer Dough was sold through the Online B2C, Brick and Mortar, and Scholastic Market. Over the past years, predominantly driven by limited production capacities, a heavy focus was placed on the scholastic market. With COVID-19 related shutdowns, that market has been severely impacted and is currently virtually non-existent until schools reopen across the United States.

Upon production start, YER Brands Inc. will place initial focus on low-hanging online sales opportunities and upon increasing production capabilities later in 2020, it will initiate a campaign to regain footing in the brick-and-mortar sales channel. While the exact timing of school reopenings still appears uncertain, with some schools hoping to reopen for the fall semester 2020, management does not anticipate significant revenues from the scholastic sales channel until January 2021.

There is a multitude of modeling clays available on the market, Soy-yer Dough shines as a Made in the USA, Gluten-Free product with a long track record of positive reviews in the US media. Management believes the product is well positioned for market expansion in the near term. Additionally, YER Brands Inc is in the planning stages for additional, value-added products that involve Soy-yer Dough modeling clay to further the product portfolio and potential revenue and profit generation.

The majority of raw ingredients required for the formulation of the product can be harvested less than 0.5miles of the company's Rushville production plant. With more than 750,000 acres of Corn and Soy Beans in the immediate area, the company does not anticipate supply chain issues for the main ingredients of the Soy-yer Dough line of products. Additional raw materials are widely available and several sources of suppliers exist. The company is not dependent on one single source of supplies for any of its ingredients and packaging materials and management sees limited supply chain and sourcing risks.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Revenues		
Revenues	\$ -	\$ 95,000
Operating Expenses		
Administrative and other operating expenses	\$ 25,591	\$ 45,324
Advertising and Promotion	-	3,521
Depreciation	33,760	30,785
Consulting fees	20,000	40,500
Management fees	45,000	22,500
Professional fees	10,250	23,946
Rent	14,183	10,892
Salaries and wages	18,285	57,109
Travel	3,900	7,106
Amortized right of use assets	16,312	16,313
	<u>187,281</u>	<u>257,996</u>
Operating income/loss before interest expense and impairment	(187,281)	(162,996)
Other interest income	-	1,786
Interest expense	<u>(586)</u>	<u>(148)</u>
Operating loss before income taxes	(187,867)	(161,358)
Income Taxes	-	-
Net income/loss attributed to non-controlling interest	<u>79,235</u>	<u>101,779</u>
Net loss and comprehensive loss	<u>\$ (108,632)</u>	<u>\$ (59,559)</u>

In addition, management anticipates incurring the following expenses during the next 12 month period:

- Management anticipates spending approximately \$8,000 in ongoing general and administrative expenses per month for the next 12 months, for a total anticipated expenditure of \$96,000 over the next 12 months. The general and administrative expenses for the year will consist primarily of professional fees for the audit and legal work relating to the Company's regulatory filings throughout the year, as well as transfer agent fees, development costs and general office expenses.
- Management anticipates spending approximately \$60,000 in complying with the Company's obligations as a reporting company under the *Securities Exchange Act of 1934*. These expenses will consist primarily of professional fees relating to the preparation of the Company's financial statements and completing and filing its listing fees, annual report, quarterly report, and current report filings with the SEC.

As at March 31, 2020, the Company had cash of \$73,165 and total liabilities of \$335,887. During the 12 month period following the date of this report, management anticipates that the Company will not generate enough revenue to continue the development of current projects and projects in the pipeline. Accordingly, the Company will be required to obtain additional financing in order to continue its plan of operations. Management believes that debt financing will not be an alternative for funding the Company's plan of operations as it does not have tangible assets to secure any debt financing. Rather management anticipates that additional funding will be in the form of equity financing from the sale of the Company's common stock. However, the Company does not have any financing arranged and cannot provide investors with any assurance that it will be able to raise sufficient funding from the sale of its common stock to fund its plan of operations. In the absence of such financing, the Company will not be able to develop its products and its business plan will fail. Even if the Company is successful in obtaining equity financing and developing its various business ventures, additional development of its website and marketing program will be required. If the Company does not continue to obtain additional financing, it will be forced to abandon its business and plan of operations.

Liquidity and Capital Resources

Three Month Period Ended March 31, 2020

At March 31, 2020, the Company had a cash balance of \$73,165 and a working capital deficit of \$115,689, compared to a cash balance of \$68,992 for the period ended December 31, 2019.

The notes to the Company's financial statements as of March 31, 2020, disclose its uncertain ability to continue as a going concern. The Company has accumulated a deficit of \$2,740,747 since inception and has yet to achieve profitable operations and further losses are anticipated in the development of its business. The Company's ability to continue as a going concern is in substantial doubt and is dependent upon obtaining additional financing and/or achieving a sustainable profitable level of operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has \$73,165 cash on hand as at March 31, 2020. Cash provided by operations was \$4,173 for the three month period ended March 31, 2020. The Company will need to raise additional cash in order to fund ongoing operations over the next 12 month period. The Company may seek additional equity as necessary and it expects to raise funds through private or public equity investment in order to support existing operations and expand the range of its business. There is no assurance that such additional funds will be available for the Company on acceptable terms, if at all.

Net Cash Flows Provided By (Used in) Operating Activities.

Net cash flows from operating activities during the three month period ended March 31, 2020 was net cash provided by operations of \$4,173, which was primarily due to the final payment of \$125,000 from the sale of receivables.

Net Cash Flows From Investing Activities.

There was no cash flow used in investing activities during the three month period ended March 31, 2020.

Net Cash Flows From Financing Activities.

There was no cash flow generated from financing activities during the three month period ended March 31, 2020.

Three Month Period Ended March 31, 2020

Net Loss. During the three month period ended March 31, 2020, the Company had a net loss of \$187,867, which include a net loss attributed to non-controlling interest of \$79,235. The loss consisted of general administrative and other operating expenses, management fees, salaries and wages, and professional fees, compared to the same time period for the prior fiscal period, when the Company had a net loss of \$161,358, which include a net loss attributed to non-controlling interest of \$101,779. There were more expenses incurred during the same period last year due to more staff and resources.

Revenue. During the three month period ended March 31, 2020, the Company had \$nil revenues as compared to \$95,000 for the same period last year. The decrease in revenue was primarily due to changes to the mutual termination of a consulting agreement and the Company's lack of resources to hire key skill workers. The Company's activities have been financed from the proceeds of share subscriptions and debt financing.

Operating Expenses. The Company's operating expenses during the three month period ended March 31, 2020 were \$187,281 as compared to the same period last year of \$257,996. The decrease in expenses relates to the decrease in operational productivity due to the shortage of staff and key skill workers.

Going Concern

The Company has not attained profitable operations and is dependent upon obtaining financing to pursue any extensive business activities. For these reasons the financial statements have been prepared assuming the Company will continue as a going concern. The Company has accumulated a deficit of \$2,740,747 since inception and has yet to achieve profitable operations and further losses are anticipated in the development of its business. The Company's ability to continue as a going concern is in substantial doubt and is dependent upon obtaining additional financing and/or achieving a sustainable profitable level of operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company has \$73,165 cash on hand as at March 31, 2020. Cash provided operations was \$4,173. The Company will need to raise additional cash in order to fund ongoing operations over the next 12 month period. The Company may seek additional equity as necessary and it expects to raise funds through private or public equity investment in order to support existing operations and expand the range of its business. There is no assurance that such additional funds will be available for the Company on acceptable terms, if at all.

Impact of COVID-19

With the present COVID-19 pandemic, the Company will need to manage its cash flow during these difficult times and funding resources may not be available as the outlook is uncertain. The Company's plan of operations may not proceed and can be held up due to the impact of COVID-19. These are unprecedented times and the Company will adjust to the new realities and will actively monitor the impact of the pandemic on the Company's business. The full extent of the impact of economic uncertainty on the Company's business, operations and financial results will depend on numerous factors that the Company may not be able to accurately predict. In an effort to protect the health and safety our employees and consultants, a significant amount of time is spent working remotely, international travel has been curtailed and a lot of our functions has been paused. Governments from around the world have enacted various measures to slow the spread and contain COVID-19. These measures include orders to close all businesses deemed "not essential", isolate residents to their homes and practice social distancing when engaging in essential activities. The Company anticipates that these actions and the global health crisis caused by the pandemic will negatively impact business activity across the globe. It is not clear what the potential effects, if any, that such alterations or modifications may have on our business, financial condition and cash flows. The duration of these measures is also unknown and may be extended with additional imposed measures. The Company has applied for governmental subsidies and/or relief during this time and there is no assurance that such resources will be achievable or available for the Company.

Future Financings

Management anticipates raising financing through debt financing or the sale of the Company's common stock in order to continue to fund its business operations. Issuances of additional common stock will result in dilution to the Company's existing stockholders. There is no assurance that the Company will achieve any additional sales of its common stock or arrange for debt or other financing to fund its planned activities.

Off-balance Sheet Arrangements

The Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Contingencies and Commitments

The Company entered into an agreement to sub-lease office space in Naples, Florida effective September 1, 2018 to March 31, 2021. The monthly base rent for the first year is \$4,552.56 (annual \$54,630.75); the monthly base rent for the second year is \$4,684.52 (annual \$56,214.25); and the monthly base rent for the third year is \$4,816.48 (annual \$57,797.75). See notes to the unaudited financial statements.

Tabular Disclosure of Contractual Obligations

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Critical Accounting Policies

The Company's financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. Management believes that understanding the basis and nature of the estimates and assumptions involved with the following aspects of the Company's financial statements is critical to an understanding of the Company's financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management maintains "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "**Exchange Act**"), that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this quarterly report on Form 10-Q, an evaluation was carried out by management, with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2020.

Based on that evaluation, management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were not effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in Internal Controls over Financial Reporting

There have been no changes in the internal controls over financial reporting during the period ended March 31, 2020 that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

Management, including our Chief Executive Officer and Chief Financial Officer, does not expect that the Company's controls and procedures will prevent all potential error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is not a party to any pending legal proceedings and, to the best of management's knowledge, none of the Company's property or assets are the subject of any pending legal proceedings.

Item 1A. Risk Factors.

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the quarter of the fiscal year covered by this report, (i) the Company did not modify the instruments defining the rights of its shareholders, (ii) no rights of any shareholders were limited or qualified by any other class of securities, and (iii) the Company did not sell any unregistered equity securities.

Item 3. Defaults Upon Senior Securities.

During the period covered by this report, no material default has occurred with respect to any indebtedness of the Company. Also, during this quarter, no material arrearage in the payment of dividends has occurred.

Item 4. Mining Safety Disclosures.

There are no current mining activities at the date of this report.

Item 5. Other Information.

During the period covered by this report, the Company reported all information that was required to be disclosed in a report on Form 8-K.

The Company has adopted a code of ethics that applies to all its executive officers and employees, including its CEO and CFO. See Exhibit 14 – Code of Ethics for more information. The Company undertakes to provide any person with a copy of its financial code of ethics free of charge. Please contact the Company at 225 Banyan Boulevard, Suite 220, Naples, Florida, 34102 to request a copy of the Company's code of ethics. Management believes the Company's code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. Management is currently updating its Code of Ethics and will file an updated Code of Ethics when completed.

Item 6. Exhibits

(a) Index to and Description of Exhibits

All Exhibits required to be filed with the Form 10-Q are included in this quarterly report or incorporated by reference to the Company's previous filings with the SEC, which can be found in their entirety at the SEC website at www.sec.gov under SEC File Number 000-54875.

Exhibit	Description	Status
3.1	Articles of Incorporation, filed as an exhibit to SPGX's Form S-1/A – Amendment #1 (Registration Statement) filed on December 17, 2010, and incorporated herein by reference.	Filed
3.2	By-Laws, filed as an exhibit to SPGX's Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.	Filed
3.3	Certificate of Amendment, filed as an exhibit to SPGX's Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.	Filed
3.4	Certificate of Amendment, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on December 19, 2016, and incorporated herein by reference.	Filed
3.5	Certificate of Amendment, filed as an exhibit to SPGX's Form 8-K (Current Report) filed on October 26, 2017, and incorporated herein by reference.	Filed
10.1	Share Purchase Agreement dated July 25, 2016 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on August 11, 2016, and incorporated herein by reference.	Filed
10.2	Property Purchase Agreement dated March 13, 2017 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on March 17, 2017, and incorporated herein by reference.	Filed
10.3	Deposit Agreement dated June 23, 2017 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on July 11, 2017, and incorporated herein by reference.	Filed
10.4	Share Purchase Agreement dated July 6, 2017 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on July 11, 2017, and incorporated herein by reference.	Filed
10.5	Dividend Agreement dated July 10, 2017 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on July 11, 2017, and incorporated herein by reference.	Filed
10.6	Consulting Agreement dated April 24, 2017 filed as an exhibit to SPGX's Form 10-K (Annual Report) filed on August 31, 2017, and incorporated herein by reference.	Filed
10.7	Services Agreement dated August 1, 2017 filed as an exhibit to SPGX's Form 10-K (Annual Report) filed on August 31, 2017, and incorporated herein by reference.	Filed
10.8	Share Purchase Agreement dated July 25, 2017 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on December 6, 2017, and incorporated herein by reference.	Filed
10.9	Share Purchase Agreement dated January 18, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on January 19, 2018, and incorporated herein by reference.	Filed

10.10	<u>Consultant Agreement dated January 18, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on January 19, 2018, and incorporated herein by reference.</u>	Filed
10.11	<u>Share Purchase Agreement dated January 30, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on January 31, 2018, and incorporated herein by reference.</u>	Filed
10.12	<u>Asset Purchase Agreement dated for reference May 22, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on May 31, 2018, and incorporated herein by reference.</u>	Filed
10.13	<u>Letter of Intent dated for reference September 25, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on October 3, 2018, and incorporated herein by reference.</u>	Filed
10.14	<u>Shareholder's Agreement dated September 29, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on October 3, 2018, and incorporated herein by reference.</u>	Filed
10.15	<u>Letter Agreement dated December 31, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on February 14, 2019, and incorporated herein by reference.</u>	Filed
10.16	<u>Purchase Agreement dated December 26, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on February 14, 2019, and incorporated herein by reference.</u>	Filed
10.17	<u>Call Option Agreement dated December 26, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on February 14, 2019, and incorporated herein by reference.</u>	Filed
10.18	<u>Purchase Agreement dated December 26, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on February 14, 2019, and incorporated herein by reference.</u>	Filed
10.19	<u>Call Option Agreement dated December 26, 2018 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on February 14, 2019, and incorporated herein by reference.</u>	Filed
10.20	<u>Shareholder's Agreement dated February 25, 2019 filed as an exhibit to SPGX's Form 8-K (Current Report) filed on March 1, 2019, and incorporated herein by reference.</u>	Filed
10.21	<u>Share Purchase Agreement dated May 31, 2018 filed as an exhibit to SPGX's Form 10-K (Annual Report) filed on August 29, 2019, and incorporated herein by reference.</u>	Filed
10.22	<u>Employment Agreement dated May 1, 2018 filed as an exhibit to SPGX's Form 10-K (Annual Report) filed on August 29, 2019, and incorporated herein by reference.</u>	Filed

10.23	Employment Agreement dated May 1, 2018 filed as an exhibit to SPGX’s Form 10-K (Annual Report) filed on August 29, 2019, and incorporated herein by reference.	Filed
10.24	Development Agreement effective May 1, 2020 between the City of Rushville, Indiana, Rushville Redevelopment Commission and Rushville Economic Development Commission and Cormo USA Inc.	Included
14	Code of Ethics, filed as an exhibit to SPGX’s Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.	Filed
31	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Included
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Included
101 *	Financial statements from the quarterly report on Form 10-Q of SPGX Incorporated for the quarter ended March 31, 2020, formatted in XBRL: (i) the Condensed Consolidated Unaudited Interim Balance Sheets, (ii) the Condensed Consolidated Unaudited Interim Statements of Operations; (iii) the Condensed Consolidated Unaudited Interim Statements of Stockholders’ Equity and Comprehensive Income, and (iv) the Condensed Consolidated Unaudited Interim Statements of Cash Flows	Furnished

* In accordance with Rule 402 of Regulation S-T, the XBRL (“Extensible Business Reporting Language”) related information is furnished and not deemed filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, Sustainable Projects Group Inc. has caused this report to be signed on its behalf by the undersigned duly authorized person.

SUSTAINABLE PROJECTS GROUP INC.

Dated: **May 13, 2020**

By: /s/ *Stefan Muehlbauer*

Name: **Stefan Muehlbauer**
President and Chief Executive Officer
(Principal Executive Officer)

DEVELOPMENT AGREEMENT

AMONG

CITY OF RUSHVILLE, INDIANA

RUSHVILLE REDEVELOPMENT COMMISSION

RUSHVILLE ECONOMIC DEVELOPMENT COMMISSION

AND

CORMO USA INC.

a Florida Corporation, registered to do business in Indiana

Re:

CORMO DEVELOPMENT PROJECT

DATED: April 28th, 2020 – Rushville City Council
April 30th, 2020 – Rushville Redevelopment Commission
EFFECTIVE: MAY 1, 2020

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (the "**Agreement**") made as of this ____ day of January, 2020, and effective May 1, 2020, by and among the City of Rushville, Indiana, (the "**City**"), and the Rushville Redevelopment Commission (the "**Redevelopment Commission**"), and Como USA Inc., a Florida Corporation, registered to do business in Indiana (the "**Developer**").

Unless specified elsewhere herein, all time periods shall commence on May 1, 2020 (the "Effective Date").

WITNESSETH:

A. The City, the Redevelopment Commission, and Economic Development Commission (collectively, the "**City Parties**") desire to stimulate and promote economic development activities in or about the Consolidated Economic Development Area (the "Economic Development Area" as defined herein);

B. The Developer shall initially lease certain property located in Rushville, Indiana, and ultimately acquire certain real estate located in the Economic Development Area for private investment in a project to be known as Como USA Project (the "Project");

C. The City Parties desire to induce the Developer to proceed with the Project in the City and anticipate that the total private portion of the Project Costs will be up to \$30,000,000.00 over five years (the "Project Costs"); and

D. The "Financial Incentive" as set forth herein to be applied to or to reimburse the Development for a portion of the total Project Costs incurred by Developer; and

E. The City Parties have determined that it is in the best interest of the citizens of the City to assist in (i) the development of the Project, (ii) the provision of the Financial Incentive to be applied to or to reimburse the Developer for certain Project Costs; and (iii) the taking of such other actions as are hereinafter set forth, all for the promotion of economic development in or serving the Economic Development Area.

NOW, THEREFORE, in consideration of the foregoing premises the mutual covenants of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City Parties and the Developer agree as follows:

DEFINED TERMS

"**Applicable Laws**" means all laws, rules, regulations, ordinances, codes, administrative actions and/or orders of any Court or governmental agency or unit, whether

federal, state or local properly exercising or having jurisdiction with respect to or over the subject matter in question.

"Buildings" means the buildings to be located in the Economic Development Area and on the Project Site, including Leased Spaces, warehousing, agricultural accessory buildings and other necessary buildings.

"Cormo USA Allocation Area" is the area designated under I.C. 36-7-14-39, which will include (but not be limited to) the Project Site, as described or to be described in the allocation provision of an amending Declaratory Resolution for the purposes to utilize tax increment financing.

"Economic Development Area" means the geographic area within which the Cormo USA Allocation Area is a part and which will include all of the Project Site designated pursuant to I.C. 36-7-14 and as approved by Declaratory Resolution No. 2020-1.

"Declaratory Resolution" means the resolution of the Redevelopment Commission that designated the Cormo USA Allocation Area as an Allocation Area within the meaning of the I.C. 36-7-14 (the "Act") pursuant to Section 39 for the purposes of utilizing tax increment financing.

"Developer" means Cormo USA Inc, a Florida Corporation, registered to do business in Indiana.

"Financial Incentive" means up to \$1,100,000,00 incentive as an inducement to be available to the Developer by the City Parties to pay for Project Costs, as set forth in Section 1.7 of this Agreement. Those incentive include:

- Cash Incentives sufficient to reimburse the acquisition of twenty (20) acres of property in the Commerce Park at Rushville following purchase of site in the Commerce Park at Rushville which shall be subject to rights of first refusal and repurchase rights on the purchased site granted to the City
- A commitment that at least twenty (20) acres of land in the Commerce Park at Rushville or equivalent property suitable for the contemplated commercial development shall be kept available for Developer for a period of two years.
- Up to \$225,000 in the form of a forgivable loan
- An initial 3-year tax abatement on eligible personal property in place in Rushville in 2020 with an alternative phase-in schedule of 100%, 67%, and 33%
- Tax Abatement for future eligible personal property, and real property improvements at a standard ten-year tax abatement schedule.

All Financial Incentives shall be contingent upon reaching the Development Targets and subject to forfeiture and/or repayment if such Development Targets are not met. Such

forfeiture and repayment provisions shall be included in future documents necessary to implement and carry out each step of the Project.

“Indiana Redevelopment Law” means Indiana Code 36-7-14 and 36-7-25, et seq., as supplemented and amended.

“Project” means the (i) development and construction of the real property improvements (site and structures) on the Project Site, (ii) construction of streets, roadways and sidewalks and other improvements within or serving the Project Site, and (iii) the purchase and installation of equipment and other trade fixtures associated with real property improvements and Buildings, anticipated to be a private investment of \$30,000,000.00 Dollars along with employing 250 full-time people at an average salary of \$35 an hour.

“State” means the State of Indiana.

“City” means the City of Rushville, Indiana, a Municipal Corporation, duly organized and existing under the laws of the State of Indiana; provided, that it is expressly understood and agreed by the Developer that, except as otherwise expressly provided in this Agreement, any obligations of the City under this Agreement may be fulfilled by the duly authorized and appropriate (as the context so requires) subdivision, unit, agency, commission, department, authority, instrumentality, City council, executive or representative or any combination of the City, as a municipal corporation.

“Development Targets” means the employment, investment, and other economic development targets set forth in attached Indiana Economic Development Commission Application for Incentives (attached as Exhibit A) and the Forgivable Loan Agreement and Promissory Note between City and Developer and executed of approximately even date herewith.

ARTICLE I CONSTRUCTION

Section 1.1 Construction of Project.

A. Initially the Developer shall lease the property located at 1250 Commerce Street in Rushville, Indiana 46173 for a period of at least two years. Ultimately, the Developer shall purchase and acquire the Project Site located in Commerce Park at Rushville, for the Project (including construction and development of the Project). The Developer anticipates that the Project shall be completed in phases as set forth in Exhibit A attached hereto.

B. The Developer shall meet the Development Targets pursuant to the timelines required in Exhibit A and the Commercial Lease, completing the project within a period of approximately five (5) years).

Section 1.2 Construction Standards.

The Developer shall cause the construction of the Project to be done in a good and workmanlike manner in accordance with all applicable building codes and design standards of the City, the State of Indiana, and the terms of this Agreement.

Section 1.3 Areas Affected by Work.

The City Parties shall not be liable or responsible for damage(s) to any land or Project Site appurtenances, or the owner/occupant of any land or Project appurtenances that results from construction of the Project or relates to the performance of work or the non-performance of the Developer's obligation under this Agreement.

Section 1.4 Project Safety.

The Developer's general contractor for the Project shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the development and construction of the Project and performance of the work. The Developer's general contractor for the Project shall take all legally necessary precautions for the safety of, and provide protection as reasonably necessary to endeavor to prevent damage, injury or loss to:

- A. All workers and laborers providing labor for the construction of the Project;
- B. All materials and equipment incorporated in the Project whether in storage or located at the Project Site; and
- C. Other property at the Project Site or adjacent or in proximity thereto including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities and underground facilities not designated for removal, relocation or replacement in connection with construction of the Project.

Section 1.5 Labor Objectives.

A. The Developer agrees that the Project shall be subject to all applicable City ordinances, resolutions and policies.

B. The Developer acknowledges the creation of construction jobs in the City of Rushville and the surrounding region, which the Redevelopment Commission wishes to achieve as a result of the Project. In that regard, with respect to the portions of the Project directly being contracted for and by Developer, the Developer shall use reasonable good faith efforts to contract with and engage contractors and subcontractors, with principal places of business first in the City of Rushville, second in Rush County, Indiana, and third in other areas of the State of Indiana, for employment opportunities relating to the construction of the Project, to the extent such contractors and

subcontractors are reasonably available on a competitive basis (including the economic, quality, performance, workforce availability and other relative considerations).

Section 1.6 Commission Covenants

In the event that there is no event of default hereunder by Developer (after expiration of applicable grace, notice and cure periods), the Redevelopment Commission agrees that it will support Developer in its efforts to obtain other incentives from governmental agencies.

Section 1.7 Permits and Compliance with Applicable Laws.

The Developer, the owner of the Project Site or the general contractor, as applicable, shall be responsible for (i) giving all legally required notices to, and obtaining all legally required permits, approvals, consents and authorizations from, the proper governmental authorities having jurisdiction over the construction of the Project on the Project Site; and (ii) complying with all Applicable Laws bearing on the construction of the Project on the Project Site. The City Parties shall cooperate with the Developer in obtaining all such permits, approvals, consents and authorizations to the extent permitted by Applicable Law. In addition, the City shall process all such necessary permits, approvals, consents and authorizations that it issues or over which it has authority in a reasonable manner and shall waive all fees relating to such permits, approvals, consents and authorizations.

Section 1.8 Project Site Management.

During the performance of the construction of the Project, the Developer shall take all reasonably necessary steps to cause the Project Site to be kept free from accumulation of waste materials, rubbish and other debris resulting from such construction in amounts beyond those typically accumulated in a well-managed and well-maintained construction project of comparable scope. Upon final completion of the construction of the Project or any specified portion thereof, the Developer shall cause all refuse and debris, tools, construction equipment, machinery and surplus materials (to the extent such items are not going to be used in the Developer's operation of the Project) to be removed from that portion of the Project Site upon which the work or specified portion thereof has been completed.

Section 1.9 Insurance.

A. The Developer shall purchase and maintain insurance at all times during the term of this Agreement as required by law.

B. The Developer shall obtain and maintain or cause its contractors to obtain and maintain in force builder's risk insurance in an amount equal to one hundred percent (100%) of the insurable value of the Project protecting against risks of physical loss of the work. Such insurance shall insure against the perils of fire, extended coverage,

vandalism and malicious mischief. The Developer shall furnish the City Parties with a certificate of insurance showing coverage of such risks and keep such policy in full force during the time of the project. If a fire or other insured casualty shall occur during the construction of the Project, the Developer shall apply any related insurance proceeds received by the Developer to the continued construction of the Project.

Section 1.10 Access to Work.

Prior to final completion of the Project, the City Parties shall be afforded reasonable access to the Project Site as may be reasonably necessary for their observation and inspection of the Project, but only to the extent Developer controls such access rights, Developer shall be given at least 24 hours prior written notice and the City Parties comply with all safety rules and regulations then applicable to the Project Site. The City Parties acknowledge that the Project Site may be an active construction site at the time of access. Accordingly, any such access shall be at the sole risk of the City Parties, and the City Parties hereby waive all claims for injuries (including death) and damages incurred while on the Project Site.

**ARTICLE II
REPRESENTATIONS, WARRANTIES AND
COVENANTS OF THE DEVELOPER**

The Developer makes the following representations, warranties and covenants which representations, warranties and covenants are true and correct on the date hereof:

Section 2.1 Organization and Existence.

The Developer is a corporation organized, validly existing and in good standing under the laws of the State of Florida, and is licensed to do business in the State of Indiana. The Developer has all requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted and as contemplated under this Agreement.

Section 2.2 Power and Authority.

The Developer has all requisite company power and authority to enter into this Agreement and to perform its obligations under this Agreement.

Section 2.3 Due Authorization.

All company acts and other proceedings required to be taken by the Developer to authorize the execution, delivery and performance of this Agreement have been duly and properly taken.

Section 2.4 Financial Capacity to Complete Project.

As of the date hereof, the Developer has the potential to complete its obligations under this Agreement. Upon Developer's request, the City Parties shall cooperate as reasonably necessary for Developer to obtain third party financing for the Project.

Section 2.5 Waiver of Tangible Property Appeals.

During the period which tax abatement is pledged to the Project from the City, the Developer as the property owner, including all subsequent property owner(s), waives its rights to appeal real (land and improvements) property and personal property assessed valuations of the Project or within the Project area unless deemed to be a clerical error of assessment application or a mathematical error. The City reserves the right to waive the above condition upon written request of the Developer as a property owner, including all subsequent property owner(s).

Section 2.6 Waiver of Assessed Valuation Reductions, Credits or Exemptions

During the period or term for which any obligation or debt service is outstanding in which tax increment is pledged to the Project from the designated Corno USA Allocation Area as approved by resolution of the Redevelopment Commission, the Developer, as the property owner, including all subsequent property owner(s), waives its rights to request or file an assessed valuation reduction, credit or exemption, whether available to a property owner as of the date of this Development Agreement or which subsequently may be authorized by the State of Indiana Legislature, to tangible real property improvements to be constructed, built or developed within the Corno USA Allocation Area. The City reserves the right to waive the above condition upon written request of the Developer as the property owner, including all subsequent property owner(s).

Section 2.7 Payment of Inspection Fees.

Developer shall be responsible to pay and/or reimburse to the City Parties the cost to the City Parties of any and all engineering or consulting inspections of the construction work for the infrastructure (water, storm, and sanitary) and Buildings that are part of the Project, either on or off of the Project Site. The Developer shall also be responsible to pay any costs and expenses incurred by the City Parties for design reviewing and construction observation during the course of construction with regard to the Project Site.

**ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS
OF THE CITY, THE REDEVELOPMENT COMMISSION AND
THE ECONOMIC DEVELOPMENT COMMISSION**

Each of the City Parties makes the following representations, warranties and covenants, which representations, warranties and covenants are true and correct on the date hereof, and makes the following covenants and agreements:

Section 3.1 Power and Authority.

Each of the City Parties has all requisite corporate power and authority to enter into this Agreement and to perform their respective obligations under this Agreement.

Section 3.2 Due Authorization.

All acts and other proceedings required to be taken by the City Parties to authorize the execution, delivery and performance of this Agreement have been duly and properly taken.

Section 3.3 Due Execution.

This Agreement has been duly executed and properly delivered by the City Parties and constitutes the valid and binding obligation of each of the City Parties, enforceable in accordance with this Agreement's terms, subject to (i) bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally heretofore or hereafter enacted; (ii) the exercise of judicial discretion in accordance with the general principles of equity; (iii) the valid exercise of the constitutional powers of the City Parties, the State and the United States of America; and (iv) public policy of the State and the United States of America.

Section 3.4 Survival of Representations and Warranties.

Each of the City Parties covenants that the representations and warranties made by it in this Agreement shall be true and correct on each day that this Agreement remains in force and effect, with the same effect as if such representations and warranties had been made and given on and as of such day; except that if any such representation and warranty is specifically given in respect of a particular date or particular period of time and related only to such date or period of time, then such representation and warranty shall continue to be given only as of such date or for such period of time.

**ARTICLE IV
DEFAULT AND REMEDIES**

Section 4.1 Events of Default.

The following events, if not remedied as hereinafter provided, shall be deemed an "Event of Default" by the respective party:

- A. The Developer's failure to perform any covenant or agreement herein applicable to Developer or to fail to meet any of the Development Targets as measured using the metrics set forth by the Indiana Economic Development Corporation ("IEDC");

- B. A default under any incentive agreement with the IEDC relating to the project contemplated herein; and
- C. The failure by any of the City Parties to perform any covenant or agreement herein applicable to such City Parties.

Section 4.2 Extensions Upon Default.

In the event of an Event of Default by either party, or any successor, the defaulting or breaching party (or successor) shall, upon written notice from the other party specifying such default or breach, proceed immediately to cure or remedy such default or breach, and shall, in any event, within thirty (30) days after receipt of written notice, commence to cure or remedy such default or breach. In the event that the defaulting or breaching party (or successor) diligently and in good faith commences to cure or remedy such default or breach but is unable to cure or remedy such default or breach within thirty (30) days after receipt of notice, the defaulting or breaching party (or successor) shall, prior to the end of such thirty (30) days, provide written notice to the other party that it has in good faith commenced to cure or remedy such default or breach, whereupon the defaulting or breaching party (or successor) shall have an additional ninety (90) days to cure or remedy such default or breach. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied prior to the end of the additional ninety (90) day period, the remedy to the aggrieved party shall be as set forth below in Section 4.3.

Section 4.3. Remedies.

Upon the occurrence of any Event of Default, subject to the extensions and cure rights provided in Section 4.2 hereof, the remedies to aggrieved party shall be as follows:

- A. In the case of an Event of Default by Developer, the City Parties shall be entitled to seek any and all remedies available to it at law or in equity.
- B. In the case of an Event of Default by any of the City Parties, the Developer shall be entitled to seek any and all remedies available to it at law or in equity.

**ARTICLE V
TERM OF AGREEMENT AND TERMINATION**

The term ("**Term**") of this Agreement, and its effectiveness, shall commence upon the full execution of this Agreement by each of the parties hereto and shall continue in full force and effect until the first to occur of (i) the Developer substantially completes construction of the Buildings; and receives the entire amount of the Financial Incentive, or (ii) the termination of this Agreement by the City Parties upon not less than thirty (30) days' prior written notice to the Developer due to an Event of Default by Developer following the applicable extension and cure periods set forth in Section 4.2 hereof or elsewhere in this Agreement, or (iii) the termination of this Agreement by the Developer

upon not less than thirty (30) days' prior written notice to the City Parties due to an Event of Default by the City Parties following the applicable extension and cure periods set forth in Section 4.2 hereof. Further, Developer may elect to terminate this Agreement at any time prior to the issuance of the Bond. The parties hereto acknowledge that, notwithstanding the termination of this Agreement, the City Parties may have continuing obligations under the financing agreements entered into with respect to the issuance of the Bonds.

ARTICLE VI MISCELLANEOUS

Section 6.1 No Agency, Partnership or Joint Venture.

Nothing contained in this Agreement nor any act of the City Parties or the Developer, or any other person, shall be deemed or construed by any person to create any relationship of third-party beneficiary, or if principal and agent, limited or general partnership, or joint venture between the City Parties and the Developer.

Section 6.2 Force Majeure.

Neither the Developer nor any successor in interest to Developer shall be considered in breach or default of its obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by an event of force majeure, including with limitation, an Act of God, acts of vandals, criminals or public enemies, act of terrorism, war, blockade, public riot, lightning, fire, storm, flood, explosion, blackout, adverse weather conditions, lockouts or strikes, delays caused by the Developer's landlord or any contractor, inability to obtain all necessary materials or labor, orders of the government of the United States of America, the State or municipality or any of their departments, agencies or officials, orders of any civil military authority, or other similar events which are not reasonably within the control of the Developer; provided that such event of force majeure shall not be deemed to exist as to any matter initiated or sustained by either party in bad faith.

Section 6.3 Notices.

No notice, approval, consent or other communication authorized or required by this Agreement shall be effective unless the same shall be in writing. Any such communications shall be effective: (i) upon receipt if it is hand delivered, with signed receipt therefore obtained, (ii) seventy two (72) hours after it is sent postage prepaid by United States registered or certified mail, return receipt requested, or (iii) twenty four (24) hours after it is deposited with a national courier for overnight delivery; directed or addressed in each case set forth in (i) through (iii) above to the other party at its address set forth below.

The addresses and email addresses for notices are:

To the City Parties: City of Rushville
330 Main Street, Suite 200
Rushville, Indiana 46173
Attention: Mayor

Rushville Redevelopment Commission
330 Main Street, Suite 200
Rushville, Indiana 46173
Attention: President

Economic Development Commission
330 Main Street, Suite 200
Rushville, Indiana 46173
Attention: President

With a copy to: Grant M. Reeves
Barada Law Offices
201 N. Main Street
Rushville, IN 46173

To the Developer: Cormo USA, Inc.
5868 E. 71st Street, E-160
Indianapolis, IN 46220

Contact Person/Title: Stefan Muehlbauer/CEO
With a copy to:

Any party may, in substitution of the foregoing, designate a different address and addresses within the continental United States for purposes of this Section by written notice delivered to all other parties in the manner prescribed in this Section at least ten (10) days in advance of the date upon which such change of address is to be effective.

Section 6.4 Survival.

All representations, warranties and indemnities set forth in this Agreement shall survive the termination hereof for a period equal to the term of the Bonds.

Section 6.5 Counterparts.

This Agreement may be executed in a number of identical counterparts and, if so, executed, each such counterpart is deemed an original for all purposes, and all such counterparts shall collectively constitute one Agreement.

Section 6.6 Assignment and Binding Effect.

The Developer may assign its rights and obligations under this Agreement to any entity affiliated with or related to Developer without the consent of the City Parties, and may otherwise assign its rights and obligations under this Agreement with the consent of the City Parties, which consent shall not be unreasonably withheld. The rights of the Developer and the City Parties under this Agreement shall inure to the Developer and the City Parties, respectively, and upon their respective successors and permitted assigns. However, the respective obligations of the Developer and the City Parties under this Agreement shall not extend to their shareholders, officers, directors, office holders, employees, agents, consultants, contractors, members, partners, joint ventures or affiliates of the Developer.

Section 6.7 Time of the Essence.

Time is of the essence in the performance of this Agreement and each and every provision contained herein.

Section 6.8 Costs of Proceedings.

In the event of the institution of any proceeding relating to the performance of this Agreement, the parties agree that costs and expenses, including reasonable attorneys' fees and expenses, incurred by the prevailing party (as defined herein) in connection with such proceeding, will be paid by the non-prevailing party. The prevailing party shall be defined as (i) the party which ultimately is awarded an amount (net of any offsets or counterclaims awarded to the other party) in excess of the last settlement offer made in writing by the other party, or (ii) the party which made the last settlement offer in writing, if the amount ultimately awarded (net of any offsets or counterclaims awarded to the other party) is less than such last settlement offer, or (iii) the party which ultimately is awarded an amount, regardless of sum, if no settlement offer was ever made in writing by the other party, or (iv) if no amount is awarded, but instead equitable relief is granted, the party in whose favor such equitable relief is granted.

Section 6.9 Severability.

If and in the event any provision of this Agreement is determined to be invalid for any reason, it shall be severed and all other provisions not determined invalid shall continue with full force and effect; provided, however, that if: (i) such declaration of invalidity relieves a party of a material obligation to the other, or eliminates a material benefit to a party, and (ii) the effect of either of the foregoing is to deprive the other party of substantially all of the benefits to such party of the transactions contemplated by this Agreement, then the adversely affected party shall have the right to terminate this Agreement, by giving notice of such termination to the other party, pursuant to Article V, titled "Term of Agreement and Termination".

Section 6.10 Non-Waiver.

Failure by either party hereto, at any time, to require the performance by the other of any term of this Agreement, shall not in any way affect the right of either party to enforce such terms, nor shall any waiver by either party of any term hereof be taken or held to be a waiver of any other provision of this Agreement. No waiver of any term or provision of this Agreement shall be effective unless the same is in writing, signed by the parties hereto, pursuant to Article VI, Section 6.3 titled "Notices".

Section 6.11 Governing Law.

This Agreement is entered into in the State of Indiana and shall be governed by and construed (and all of the rights and obligations hereunder shall be determined) in accordance with the internal laws of the State, without reference to the choice of law principles thereof.

Section 6.12 No Third Party Beneficiaries.

Nothing in this Agreement shall be construed as creating any rights of entitlement that inure to the benefit of any person or entity not a party of this Agreement.

Section 6.13 Jurisdiction and Consent to Suit.

Subject to the provisions of this Agreement, each of the City Parties and the Developer hereby agrees and consents to the exclusive personal and subject matter jurisdiction of the courts of the State situated in Rush County, Indiana, or the United States District Court for the Southern District of Indiana, which shall be the sole and exclusive forum in connection with any claim, cause of action or other dispute by either of them against the other arising out of or relating to the terms, obligations and conditions of this Agreement.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the City of Rushville, Indiana has executed this Agreement as of the day and year first written above, to be effective on the Effective Date of this Agreement.

COMMON COUNCIL OF THE CITY OF
RUSHVILLE, INDIANA

Bradley Bukema
Presiding Officer

[Signature]
Robert Boggs
[Signature]
[Signature]

ATTEST:

Ann L. Copley
Clerk-Treasurer

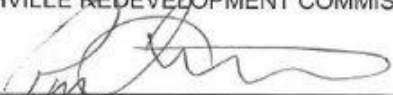
Presented by me to the Mayor of the City of Rushville, Indiana, this 28 day of APRIL, 2020, at 6:00 p.m.

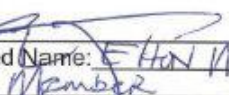
[Signature]
Mayor

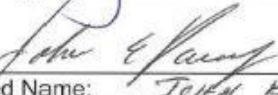
Signed and approved by me, the Mayor of the City of Rushville, Indiana, on this 28 day of APRIL, 2020, at 6:00 p.m.

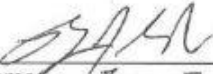
IN WITNESS WHEREOF, the Rushville Redevelopment Commission has executed this Agreement as of the day and year first written above, to be effective on the Effective Date of this Agreement.

RUSHVILLE REDEVELOPMENT COMMISSION

By: 
Printed Name: Ron Lienemann
Title: Chairman

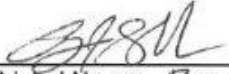
By:  "ABSTAIN"
Printed Name: E. Hon W. Arzon
Title: Member

By: 
Printed Name: JOHN E. LACEY
Title: MEMBER

By: 
Printed Name: Brinn J. Sheehan
Title: Member

By: /s/ Gary M. Cameron
Printed Name: Gary M. Cameron
Title: Member

Attest:


Printed Name: Brinn J. Sheehan
Title: Secretary

IN WITNESS WHEREOF, Cormo USA, Inc. has executed this Agreement as of the day and year first written above, to be effective on the Effective Date of this Agreement.

CORMO USA, INC.

By: 
Printed Name: STEFAN HUEBNER
Title: CEO

By: _____
Printed Name: _____
Title: _____

Attest:


Printed Name: Ann L. Copley
Title: Clerk - Treasurer

Exhibit 31

**SUSTAINABLE PROJECTS GROUP INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Stefan Muehlbauer, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ending March 31, 2020 of Sustainable Projects Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 13, 2020**

/s/ Stefan Muehlbauer

Stefan Muehlbauer
Chief Executive Officer

**SUSTAINABLE PROJECTS GROUP INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Stefan Muehlbauer, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ending March 31, 2020 of Sustainable Projects Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 13, 2020**

/s/ Stefan Muehlbauer

Stefan Muehlbauer
Chief Financial Officer

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Sustainable Projects Group Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stefan Muehlbauer, Chief Executive Officer of the Company and a member of the Board of Directors, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stefan Muehlbauer

Stefan Muehlbauer

Chief Executive Officer

May 13, 2020

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Sustainable Projects Group Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stefan Muehlbauer, Chief Financial Officer of the Company and a member of the Board of Directors, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stefan Muehlbauer

Stefan Muehlbauer
Chief Financial Officer
May 13, 2020
