

SUSTAINABLE PROJECTS GROUP INC.

FORM 8-K (Current report filing)

Filed 02/15/23 for the Period Ending 02/14/23

Address	2316 PINE RIDGE ROAD, 383 NAPLES, FL, 34109
Telephone	239-316-4593
CIK	0001500305
Symbol	SPGX
SIC Code	1311 - Crude Petroleum and Natural Gas
Industry	Business Support Services
Sector	Industrials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 14, 2023

SUSTAINABLE PROJECTS GROUP INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

000-54875

(Commission
File Number)

81-5445107

(IRS Employer
Identification No.)

2316 Pine Ridge Rd #383, Naples, Florida

(Address of principal executive offices)

34109

(Zip Code)

Registrant's telephone number, including area code 239-307-2925

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

CURRENT REPORT ON FORM 8-K
SUSTAINABLE PROJECTS GROUP INC.
FEBRUARY 14, 2023
TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY NOTE	1
Item 1.01 Entry into a Material Definitive Agreement.	1
Item 2.01 Completion of Acquisition or Disposition of Assets.	6
Item 3.02 Unregistered Sales of Equity Securities.	38
Item 5.01 Change in Control of Registrant.	38
Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.	38
Item 5.06 Change in Shell Company Status.	38
Item 9.01 Financial Statements and Exhibits.	38
Signatures	40

INTRODUCTORY NOTE

Unless the context otherwise requires, “we,” “us,” “our,” and the “Company” refer to Sustainable Projects Group Inc., a Nevada corporation, and its subsidiary following the Closing (as defined below). Unless the context otherwise requires, all references to “Lithium Harvest” refer to Lithium Harvest ApS, a Denmark private limited liability company. All references herein to the “Board” refer to the board of directors of the Company.

Item 1.01 Entry into a Material Definitive Agreement.

On February 14, 2023, we entered into a Securities Exchange Agreement (the “Agreement”) with Lithium Harvest, and all of the shareholders of Lithium Harvest (the “Shareholders”).

The Agreement is further described below and has been attached as an exhibit to this report to provide investors and securityholders with information regarding its terms. Our description of the Agreement is qualified in its entirety by reference to the actual terms thereof, and it is not intended to provide any other factual information about the Company or Lithium Harvest or to modify or supplement any factual disclosures about the Company in its public reports filed with the Securities and Exchange Commission (the “SEC”).

The Agreement includes representations, warranties, and covenants that are customary for such kind of agreement and are made solely for the purpose of the Agreement and solely for the benefit of the parties thereto in connection with the negotiated terms of the Agreement. Investors and securityholders should not rely on the representations, warranties, and covenants in the Agreement or any description thereof as characterizations of the actual state of facts or conditions of the Company, Lithium Harvest or any of their respective affiliates. Moreover, certain of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to SEC filings or may have been used for purposes of allocating risk among the parties to the Agreement, rather than establishing matters of fact.

Securities Exchange Agreement

Pursuant to the terms of the Agreement, the Company acquired all of the outstanding shares of capital stock of Lithium Harvest in exchange for issuing to the Shareholders 206,667,233 shares of the Company’s common stock (the “Exchange Transaction”). The Exchange Transaction closed on February 14, 2023 (the “Closing”).

As a result of the Exchange Transaction, Lithium Harvest is now a wholly-owned subsidiary of the Company. Outstanding shares of the Company’s common stock will remain outstanding and unaffected as a result of the Exchange Transaction. The Company’s common stock will continue to be registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), immediately following the Exchange Transaction.

Based on 287,190,813 currently outstanding shares of the Company’s common stock, following the issuance to the Shareholders of the shares of the Company’s common stock, the Shareholders hold approximately 72% of the outstanding voting power and capital stock of the Company and existing holders of the Company’s common stock hold approximately 3%. Kestrel Flight Fund LLC, which held a convertible loan issued by the Company prior to the Exchange Transaction, holds approximately 25% of the outstanding voting power and capital stock of the Company (See “The Company’s Related Party Transactions”).

Governance and Management

As of the Closing, the Board now consists of two members, Sune Mathiesen, who immediately prior to the Closing was a director of Lithium Harvest, and Stefan Muehlbauer. Paw Juul, the Company's Chief Technology Officer, also was appointed a director of the Company, effective 10 days following the mailing of an information statement that satisfies the requirements of Rule 14F-1 under the Exchange Act to the Company's stockholders. Sune Mathiesen also was appointed the Chairman of the Board.

As of the Closing, the Company's President and Chief Executive Officer is Sune Mathiesen, who immediately prior to the Closing was the President and Chief Executive Officer of Lithium Harvest; the Company's Chief Technology Officer is Paw Juul, who immediately prior to the Closing was the Chief Technology Officer of Lithium Harvest; and the Company's Chief Financial Officer is Stefan Muehlbauer, who immediately prior to the Closing was the Company's President, Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer, Treasurer and Corporate Secretary. Mr. Muehlbauer notified the Board of his decision to resign as the Company's President, Chief Executive Officer, Chief Compliance Officer, Treasurer and Corporate Secretary on February 14, 2023, effective immediately.

Accounting Treatment; Change of Control

As a result of the Exchange Transaction, a change of control occurred with respect to the Company's stock ownership and management upon the Closing. Therefore, we have determined to treat the Exchange Transaction as a reverse merger for accounting purposes, with Lithium Harvest as the acquirer for accounting purposes.

Employment Agreements

In connection with the Exchange Transaction, the Company entered into employment agreements with each of Sune Mathiesen, Stefan Muehlbauer and Paw Juul to serve as the Chief Executive Officer, Chief Financial Officer and the Chief Technology Officer, respectively, of the Company.

Transition Employment Agreement with Sune Mathiesen

On February 14, 2023, we entered into an executive service agreement with Mr. Mathiesen, effective as of January 14, 2023, providing for his employment as our Chief Executive Officer (the "CEO Agreement").

Pursuant to the CEO Agreement, Mr. Mathiesen is entitled to an initial annual base salary of \$300,000 and annual pension contributions that amount to 10% of Mr. Mathiesen's annual base salary. The CEO Agreement also indicates that Mr. Mathiesen shall be eligible to receive (i) an annual cash bonus of up to 150% of his base salary pursuant to a separate bonus agreement and (ii) a stock-based bonus of up to 100% of his annual base salary pursuant to a separate stock grant agreement. Under the CEO Agreement, Mr. Mathiesen is also entitled to a company car, and we will pay for all expenses related to such company car.

The CEO Agreement is non-terminable until December 31, 2025, after which date, upon providing 12 months advance notice, the CEO Agreement may be terminated by either Mr. Mathiesen or us.

The CEO Agreement contains a perpetual confidentiality requirement.

U.S. Employment Agreement with Sune Mathiesen

Upon Mr. Mathiesen's relocation to the U.S., we intend to enter into a new executive employment agreement with him to replace the CEO Agreement and provide for Mr. Mathiesen's continued employment as our Chief Executive Officer (the "U.S. CEO Agreement") through December 31, 2025 (the "U.S. CEO Agreement Expiration Date"), except upon the earlier termination of the U.S. CEO Agreement as discussed below. Following the U.S. CEO Agreement Expiration Date, the U.S. CEO Agreement may be terminated by Mr. Mathiesen or us for any reason.

Pursuant to the U.S. CEO Agreement, Mr. Mathiesen is entitled to an annual base salary of approximately \$300,000 and will be eligible to participate in our retirement plan, subject to the eligibility terms and conditions of such plan. The U.S. CEO Agreement also indicates that Mr. Mathiesen shall be eligible to receive (i) an annual cash bonus of up to 150% of his base salary pursuant to a separate bonus agreement and (ii) a stock-based bonus of up to 100% of his base salary pursuant to a separate stock grant agreement. Under the U.S. CEO Agreement, Mr. Mathiesen is also: (i) entitled to a company car, and we will pay for all expenses related to such company car; (ii) the reimbursement of reasonable moving costs to the Houston area; and (iii) for so long as Mr. Mathiesen remains employed by us, for up to the initial two consecutive years following the date Mr. Mathiesen relocates to the Houston area, reimbursement for reasonable housing costs in the Houston area, up to a total amount of \$5,000 per month.

Pursuant to the U.S. CEO Agreement, if Mr. Mathiesen's employment is involuntarily terminated by us without Cause (as defined below) or by reason of his death or Disability (as defined below), then, subject to his timely execution and non-revocation of a release of claims, in addition to compensation that has been earned but not yet paid, he will be entitled to a severance amount equal to his then current base monthly salary from the date of his termination until the U.S. CEO Agreement Expiration Date, or, if such termination occurs after the U.S. CEO Agreement Expiration Date, his then current base monthly salary for a period of 12 months following his date of termination.

For purposes of the U.S. CEO Agreement, "Cause" means: (i) any act by Mr. Mathiesen that is materially detrimental to our best interests or that constitutes common law fraud, a felony or any other criminal act involving moral turpitude; (ii) gross misconduct, material neglect or any act of disloyalty or dishonesty by Mr. Mathiesen related to or connected with Mr. Mathiesen's employment by us or otherwise likely to cause material harm to us or our reputation; (iii) a material violation by Mr. Mathiesen of our written policies, codes of conduct or direction of our board of directors; (iv) wrongful appropriation by Mr. Mathiesen of our funds or property or other material breach of Mr. Mathiesen's fiduciary duties to us; or (v) the material breach of the U.S. CEO Agreement by Mr. Mathiesen, or any other written agreement between us and Mr. Mathiesen.

For purposes of the U.S. CEO Agreement, "Disability" means the inability of Mr. Mathiesen to perform on a full-time basis the duties and responsibilities of Mr. Mathiesen's employment with us by reason of Mr. Mathiesen's illness or other physical or mental impairment or condition, if such inability continues for an uninterrupted period of 120 days or more during any 180 day period. A period of inability is "uninterrupted" unless and until Mr. Mathiesen returns to full time work for a continuous period of at least 30 days.

The U.S. CEO Agreement requires Mr. Mathiesen to enter into a confidentiality and restrictive covenant agreement, which contains a 12 month post-termination non-solicitation requirement and a perpetual confidentiality requirement, among other terms and conditions.

Employment Agreement with Stefan Muehlbauer

On February 14, 2023, we entered into an executive employment agreement with Stefan Muehlbauer providing for his employment as our Chief Financial Officer (the “CFO Agreement”), or such other role as determined by us from time to time, through January 31, 2024 (the “CFO Agreement Term”), except upon the earlier termination of the CFO Agreement as discussed below. After the expiration of the CFO Agreement Term, Mr. Muehlbauer shall resign from any positions that he holds.

Pursuant to the CFO Agreement, Mr. Muehlbauer is entitled to an annual base salary of \$125,000 and will be eligible to participate in our benefit plan, subject to the eligibility terms and conditions of such plans or programs. The CFO Agreement also indicates that Mr. Muehlbauer shall be eligible to receive a one-time cash bonus of \$25,000 at the end of the CFO Agreement Term, subject to Mr. Muehlbauer remaining employed through the expiration of the CFO Agreement Term.

The CFO Agreement may be terminated by either Mr. Muehlbauer or us, if either party provides 30 days’ advance notice. Further, we may terminate the CFO Agreement immediately without notice if Mr. Muehlbauer is in breach of the CFO Agreement or for other serious cause.

The CFO Agreement requires Mr. Muehlbauer to enter into a confidentiality and restrictive covenant agreement, which contains a 12 month post-termination non-solicitation requirement, a 24 month post-termination non-disparagement requirement, a 12 month post-termination, non-competition requirement, and a perpetual confidentiality requirement, among other terms and conditions.

Transition Employment Agreement with Paw Juul

On February 14, 2023, we entered into an executive service agreement with Mr. Juul, effective as of January 14, 2023, providing for his employment as our Chief Technology Officer (the “CTO Agreement”).

Pursuant to the CTO Agreement, Mr. Juul is entitled to an initial annual base salary of approximately \$300,000 and annual pension contributions that amount to 10% of Mr. Juul’s annual base salary. The CTO Agreement also indicates that Mr. Juul shall be eligible to receive (i) an annual cash bonus of up to 150% of his base salary pursuant to a separate bonus agreement and (ii) a stock-based bonus of up to 100% of his annual base salary pursuant to a separate stock grant agreement. Under the CTO Agreement, Mr. Juul is also entitled to a company car, and we will pay for all expenses related to such company car.

The CTO Agreement is non-terminable until December 31, 2025, after which date, upon providing 12 months advance notice, the CTO Agreement may be terminated by either Mr. Juul or us.

The CTO Agreement contains a perpetual confidentiality requirement.

U.S. Employment Agreement with Paw Juul

Upon Mr. Juul's relocation to the U.S., we intend to enter into a new executive employment agreement with him to replace the CTO Agreement and provide for Mr. Juul's continued employment as our Chief Technology Officer (the "U.S. CTO Agreement") through December 31, 2025 (the "U.S. CTO Agreement Expiration Date"), except upon the earlier termination of the U.S. CTO Agreement as discussed below. Following the U.S. CTO Agreement Expiration Date, the U.S. CTO Agreement may be terminated by Mr. Juul or us for any reason.

Pursuant to the U.S. CTO Agreement, Mr. Juul is entitled to an annual base salary of \$300,000 and will be eligible to participate in our retirement plan, subject to the eligibility terms and conditions of such plan. The U.S. CTO Agreement also indicates that Mr. Juul shall be eligible to receive (i) an annual cash bonus of up to 150% of his base salary pursuant to a separate bonus agreement and (ii) a stock-based bonus of up to 100% of his base salary pursuant to a separate stock grant agreement. Under the U.S. CTO Agreement, Mr. Juul is also: (i) entitled to a company car, and we will pay for all expenses related to such company car; (ii) the reimbursement of reasonable moving costs to the Houston area; and (iii) for so as Mr. Juul remains employed by us, for up to the initial two consecutive years following the date Mr. Juul relocates to the Houston area, reimbursement for reasonable housing costs in the Houston area, up to a total amount of \$5,000 per month.

Pursuant to the U.S. CTO Agreement, if Mr. Juul's employment is involuntarily terminated by us without Cause (as defined below) or by reason of his death or Disability (as defined below), then, subject to his timely execution and non-revocation of a release of claims, in addition to compensation that has been earned but not yet paid, he will be entitled to a severance amount equal to his then current base monthly salary from the date of his termination until the U.S. CTO Agreement Expiration Date, or, if such termination occurs after the U.S. CTO Agreement Expiration Date, his then current base monthly salary for a period of 12 months following his date of termination.

For purposes of the U.S. CTO Agreement, "Cause" means: (i) any act by Mr. Juul that is materially detrimental to our best interests or that constitutes common law fraud, a felony or any other criminal act involving moral turpitude; (ii) gross misconduct, material neglect or any act of disloyalty or dishonesty by Mr. Juul related to or connected with Mr. Juul's employment by us or otherwise likely to cause material harm to us or our reputation; (iii) a material violation by Mr. Juul of our written policies, codes of conduct or direction of our board of directors; (iv) wrongful appropriation by Mr. Juul of our funds or property or other material breach of Mr. Juul's fiduciary duties to us; or (v) the material breach of the U.S. CTO Agreement by Mr. Juul, or any other written agreement between us and Mr. Juul.

For purposes of the U.S. CTO Agreement, "Disability" means the inability of Mr. Juul to perform on a full-time basis the duties and responsibilities of Mr. Juul's employment with us by reason of Mr. Juul's illness or other physical or mental impairment or condition, if such inability continues for an uninterrupted period of 120 days or more during any 180 day period. A period of inability is "uninterrupted" unless and until Mr. Juul returns to full time work for a continuous period of at least 30 days.

The U.S. CTO Agreement requires Mr. Juul to enter into a confidentiality and restrictive covenant agreement, which contains a 12 month post-termination, non-solicitation requirement and a perpetual confidentiality requirement, among other terms and conditions.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The Exchange Transaction

Item 1.01 of this report describes the Exchange Transaction (see “Securities Exchange Agreement”), which is incorporated by reference herein.

Election of Board of Directors; Appointment of Officers

Item 1.01 of this report describes changes to the Company’s Board and executive officers in connection with the Exchange Transaction (see “Governance and Management”) and certain compensatory arrangements (see “Employment Agreements”), which are incorporated by reference herein.

Description of Business

Overview

We are a pure-play lithium company focused on supplying high performance lithium compounds to the fast-growing electric vehicle (“EV”) and broader battery markets. We have developed a proprietary technology to extract lithium from oilfield wastewater, which we believe will enable us to manufacture lithium compounds quickly, at an attractive cost, and with a minimal environmental footprint, which we expect to provide us with a competitive advantage over other lithium manufacturers. We believe this competitive advantage will enable us to capitalize on the acceleration of vehicle electrification and renewable energy adoption.

We plan to establish our first lithium carbonate manufacturing facility in 2023, which we anticipate will be capable of manufacturing up to 1,000 metric tons of lithium carbonate equivalent (“LCE”), and we plan to begin manufacturing battery-grade lithium compounds at such facility in the first half of 2024.

Our Technology and Products

Direct Lithium Extraction Technology. Our Direct Lithium Extraction (“DLE”) technology enables us to extract and manufacture lithium compounds from oilfield wastewater in a few hours. Competing technologies typically extract and manufacture lithium compounds from brine or hard rock through processes that take up to two to three years. Our DLE technology also allows us to adjust production according to customer needs, which we believe puts us in a favorable position to meet growing demand.

Lithium Carbonate and Lithium Hydroxide. We plan to produce battery-grade lithium carbonate and lithium hydroxide for use in high performance lithium-ion batteries for EVs and broader battery markets. We plan to produce both standardized and customer specific compounds.

Our Growth Strategy

To fully capitalize on the growing demand for lithium compounds, our growth strategy will involve continued investment in manufacturing facilities, research and development, and our people. Essential features of our growth strategy include:

- **Build and expand manufacturing capacities.** We plan to establish our first lithium carbonate manufacturing facility in 2023, which we anticipate will be capable of manufacturing up to 1,000 metric tons of LCE, and we plan to begin manufacturing battery-grade lithium compounds at such facility in the first half of 2024. We plan to continue to invest in manufacturing capacity and aim to have a total manufacturing capacity in excess of 6,000 metric tons of LCE by the end of 2026.
- **Enter new geographic areas and expand North American operations.** We believe that U.S. and international governments will increasingly support the local and sustainable production of critical minerals, including lithium compounds, for the green energy transition. Our first lithium carbonate manufacturing facility is planned to be established in Texas, and we intend to continue to expand our operations in North America in the near term, and eventually expand to Europe.

- **Continued investment in research and development and the expansion of our product portfolio.** We believe that the continued evolution of battery technologies will require new forms of lithium to be produced. To ensure that we are well-positioned to develop new products to keep pace with the evolving battery technology industry, we plan to continue to focus and invest in research and development. Further, we plan to utilize our proprietary technology to expand our product portfolio to also include nickel, magnesium and vanadium.
- **Focus on sustainability.** We believe that lithium will continue to be an important component of the green energy transition. Likewise, we believe that there will be a continued and increased focus on responsible lithium production and the Environmental, Social and Governance issues and concerns related to the production of lithium. Operating in a socially conscious, ethical, safe and sustainable manner is reflected in our core values. Further, we believe that our DLE technology has the lowest environmental footprint of any lithium extraction technology in the industry. We believe that our sustainable extraction technology and our local manufacturing will differentiate us from our competitors and help us build important strategic relationships with customers and other stakeholders.
- **Invest in our people.** Our business depends on highly specialized research scientists, engineers, a technical sales force and experienced management. We are committed to investing in our people through training and development. We aim to attract and retain talent by cultivating an inclusive and positive working environment that creates and supports diversity and provides equal opportunity and fairness in our management systems.

Competitive Strengths

We believe the following strengths underpin our ability to grow our business and profitability:

- **Direct Lithium Extraction.** Our DLE technology enables us to extract and manufacture lithium compounds from oilfield wastewater in a few hours. Competing technologies typically extract and manufacture lithium compounds from brine and hard rock through a process that takes up to two to three years. Our DLE technology also allows us to adjust production according to customer needs, which we believe puts us in a favorable position to meet growing demand.
- **Stable and readily available lithium feedstock.** We use our DLE technology to produce high performance lithium compounds from oilfield wastewater (also referred to as “produced water”). The global oil and gas industry produces more than 250 million barrels of produced water per day, which will provide a stable supply of lithium feedstock. Further, our DLE technology does not require us to acquire land and obtain drilling permits, which we believe will allow us to establish new lithium operations and ramp production much quicker than our competitors.
- **Low capital expenditure.** Because our DLE technology does not require us to acquire land and obtain drilling permits, we believe that we can establish lithium operations at a lower cost than our competitors.
- **Low operating expenses.** We believe that our operating expenses will be competitive with any other technology used in the industry. Our manufacturing facilities will use a high degree of automation, which we expect to lower our operating expenses. Our lithium compounds are produced from a waste product and will be extracted, refined and packaged in the same facility, which we believe will lower our costs for transportation.

- **Local manufacturing.** We plan to produce our products as close to our customers as possible. We believe that governments will be increasingly focused on the local supply of critical minerals, and recent regulatory developments in our geographical focus areas strongly incentivize battery and vehicle manufacturers to source locally produced lithium products.
- **Sustainable production.** We produce our lithium compounds from oilfield wastewater. More than 90% of all water used in our production is cleaned and reused. We believe that we will have the lowest environmental footprint in the industry, and we believe that customers and end-users will be increasingly focused on sustainable manufacturing of battery materials. We believe that our low environmental footprint will position us favorably against competitors using more traditional lithium extraction technologies.

Our Market

The market for battery grade lithium compounds is global, and we plan to sell our products worldwide. Based on estimates by Benchmark Minerals, lithium demand is forecasted to rise from 350,000 tons in 2020 to 2.5 million tons in 2030 and over 7 million tons in 2040, with a positive long-term price trend estimate of \$15,000 per ton for battery-grade Lithium Carbonate and Lithium Hydroxide from 2025 to 2040. We believe that the continued electrification of transportation and transition to renewable energy sources will support continued significant growth in demand for lithium compounds over the next decade.

Raw Materials

Lithium

We produce our lithium products from oilfield wastewater. The annual global production of produced water is more than 250 million barrels per day. The U.S. production of produced water is more than 50 million barrels per day. Not all produced water is suitable for lithium production, but we estimate that the current U.S. production of produced water is sufficient to produce more than 500,000 metric tons of LCE annually.

We plan to enter into long-term supply agreements with oil and gas companies and service providers for the supply of produced water.

Water

All fresh water used in our production will be reused water from the production of oil and natural gas. We do not require any additional fresh water supplies.

Energy

Our production relies on a steady source of energy. We expect to use solar energy to the extent possible, but we will require an external supply of energy for our equipment.

Other raw materials

We use a range of raw materials and chemicals intermediates in our production processes. We generally expect to satisfy our requirements through spot purchases but likely will rely on medium-to-long-term agreements for the supply of certain raw materials.

Generally, we are not expecting supply chain constraints, but temporary shortages of certain raw materials may occur and cause temporary price increases. During periods of high demand, our raw materials are subject to significant price fluctuations that may have an adverse impact on our results of operations. In addition, there could be inflationary pressure on the costs of raw materials.

Competition

Our products will compete with other lithium compounds available in the market. Many of our competitors are large companies with long-term experience in the industry. The market for battery grade lithium compounds faces barriers to entry, including access to a stable and sufficient supply of lithium feedstock, the ability to produce a sufficient quality and quantity of lithium, technical know-how, and sufficient lead time to develop new lithium mining projects. We believe that our DLE technology enables us to produce high quality products quickly, at an attractive cost, and with a minimal environmental footprint, which we believe will differentiate us from our competitors. We intend to continue to invest in research and development to further improve our products, develop new products, and build market share.

Intellectual Property

Our success depends in part upon our ability to protect and use our DLE technology and the intellectual property rights related to our DLE technology. On December 15th, 2022 we received an “Intention to Grant” notification from the Danish Patent and Trademark Office. We expect the Danish patent to be granted in the first quarter of 2023. Further, we have a pending application for a U.S. patent. If granted, these patents will expire in 2042.

Customers

We intend to sell our products to customers in the EV and broader battery markets, and plan to initially sell lithium locally to customers in the regions close to our manufacturing facilities.

Sales and Marketing

We intend to initially sell our products directly to customers in the U.S. and anticipate that we will subsequently sell our products to customers throughout North America, Asia and Europe.

Manufacturing

We intend to manufacture the lithium compounds we extract at our own facilities. We intend to construct our first commercial manufacturing facility in 2023.

Research and Development

We conduct research and development to optimize our DLE technology and our lithium products and to develop new product candidates and technologies.

Seasonality

Our operations are generally not impacted by seasonality. However, production is expected to be marginally lower during the summer due to the U.S. vacation season.

Government Laws and Regulations

We are subject to and will incur capital and operating costs to comply with U.S. federal, state and local environmental, health and safety laws and regulations, including those governing employee health and safety, the composition of our products, the discharge of pollutants into the air and water, and the management and disposal of hazardous substances and wastes.

In June 2016, modifications to the Toxic Substances Control Act in the United States were signed into law, requiring chemicals to be assessed against a risk-based safety standard and for the elimination of unreasonable risks identified during risk evaluation. Other initiatives in Asia and potentially in other regions will require toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. These assessments may result in heightened concerns about the chemicals involved and additional requirements being placed on the production, handling, labeling or use of the subject chemicals. Such concerns and additional requirements could also increase the cost incurred by our customers to use our chemical products and otherwise limit the use of these products, which could lead to a decrease in demand for these products.

To the extent we manufacture or import products into the European Union (“EU”) or downstream users of our products are located in the EU, we may be subject to the European Community Regulation for the Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”). REACH imposes obligations on EU manufacturers and importers of chemicals and other products into the EU to compile and file comprehensive reports, including testing data, on each chemical substance, and perform chemical safety assessments. Currently, certain lithium products are undergoing a risk assessment review under REACH, which may eventually result in restrictions in the handling or use of lithium carbonate and other lithium products that we produce, which may increase our production costs. In addition, REACH regulations impose significant additional responsibilities and costs on chemical producers, importers, downstream users of chemical substances and preparations, and the entire supply chain. REACH, if applicable to the sale or manufacture of our products, may lead to increases in the costs of raw materials we may purchase and the products we may sell in the EU, which could increase the costs of our products and result in a decrease in their overall demand.

We use and generate hazardous substances and wastes in our operations and may become subject to claims and substantial liability for personal injury, property damage, wrongful death, loss of production, pollution and other environmental damages relating to the release of such substances into the environment. Depending on the frequency and severity of such incidents, it is possible that the Company’s revenues, operating costs, insurability and relationships with customers, employees and regulators could be impaired.

Human Capital Management

We had eight full-time employees as of February 14, 2023. None of our employees are represented by a labor organization or are a party to a collective bargaining arrangement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Facilities

We conduct and manage our operations from our offices in Aalborg, Denmark and Houston, Texas. We do not have a commercial manufacturing facility, but plan to construct a commercial manufacturing facility in 2023.

Risk Factors

Risks Related to Our Business

Demand and market prices for lithium will greatly affect the value of our investment in our lithium projects and our ability to develop them successfully.

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and our ability to execute our business plan. The price of lithium materials may also be reduced by the discovery of new lithium deposits and production methods, which could not only increase the overall supply of lithium (causing downward pressure on its price), but could draw new firms into the lithium industry that could compete with us. Even if commercial quantities of lithium are produced by us, there is no guarantee that a profitable market will exist for the sale of the lithium. The development of our projects will be significantly affected by changes in the market price of lithium-based end products, such as lithium carbonate and lithium hydroxide. Factors beyond our control may affect the marketability of any lithium produced. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond our control, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for lithium is affected by various factors, including, among others, political events, economic conditions and production costs in major producing regions. Furthermore, the price of lithium products is significantly affected by their purity and performance, and by the specifications of end-user battery manufacturers. If the products produced from our projects do not meet battery-grade quality and/or do not meet customer specifications, pricing will be reduced from that expected for battery-grade product. In turn, the availability of customers may also decrease. We may not be able to effectively mitigate against pricing risks for our products. Depressed pricing for our products will affect the level of revenues expected to be generated by us, which in turn could affect our value, share price and the potential value of our properties. There can be no assurance that the price of lithium will be such that it can be produced at a profit.

Competition within our industry may adversely affect our businesses and results of operations.

We face strong competition from companies in connection with the production of lithium. Many of these companies have greater financial resources, operational experience and technical capabilities than us, and as a result, our competitors may be able to produce and sell lithium at a lower cost than us. Consequently, our prospects, revenues, operations and financial condition could be materially adversely affected.

The development of non-lithium battery technologies could adversely affect us.

The development and adoption of new battery technologies that rely on inputs other than lithium compounds could significantly impact our prospects and future revenues. While current and next generation high energy density batteries for use in EVs rely on lithium compounds as a critical input, alternative materials and technologies are being researched with the goal of making batteries lighter, more efficient, faster charging and less expensive, and some of these technologies could be less reliant on lithium compounds. We cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon, but commercialized battery technologies that use no, or significantly less, lithium could materially and adversely impact our prospects and future revenues.

There is risk to the growth of lithium markets.

Our lithium business is significantly dependent on the continued growth in demand for lithium batteries for EVs and energy storage. To the extent that such development, adoption and growth do not occur in the volume and/or manner that we contemplate, including for reasons described under the heading “The development of non-lithium battery technologies could adversely affect us” above, the long-term growth in the markets for lithium products may be adversely affected, which would have a material adverse effect on our business, financial condition and operating results.

Our business is subject to hazards common to chemical and natural resource extraction businesses, any of which could injure our employees or other persons, damage our facilities or other properties, interrupt our production and adversely affect our reputation and results of operations.

Our business is subject to hazards common to chemical manufacturing, storage, handling and transportation, as well as natural resource extraction, including explosions, fires, severe weather, natural disasters, mechanical failure, unscheduled downtime, transportation interruptions, remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases and other risks. These hazards can cause personal injury and loss of life to our employees and other persons, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the occurrence of disruptions, shutdowns or other material operating problems at our facilities due to any of these hazards may diminish our ability to meet our output goals. Accordingly, these hazards and their consequences could adversely affect our reputation and have a material adverse effect on our operations as a whole, including our results of operations and cash flows, both during and after the period of operational difficulties.

Our business is subject to a number of operational risks.

We are subject to a number of operational risks and may not be adequately insured for certain risks, including, among others, environmental contamination, liabilities arising from historic operations, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, the impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, our property, personal injury or death, environmental damage, increased costs, monetary losses and potential legal liability and adverse governmental action. These factors could all have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

The resource extraction business is cyclical in nature.

The resource extraction business and the marketability of the products it produces are affected by worldwide economic cycles. At the present time, the significant demand for lithium and other commodities in many countries is driving increased prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand of resources in various regions throughout the world are common.

As our business is in the development stage and as we do not carry on commercial-scale production activities, our ability to fund ongoing development is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Electronic vehicle regulations and economic incentives may impact our business.

Demand for lithium-based end products, such as lithium-ion batteries for use in EVs, may be impacted by changes to government regulation and economic incentives. Government and economic incentives that support the development and adoption of EVs in the U.S. and abroad, including certain tax exemptions, tax credits and rebates, may be reduced, eliminated or exhausted from time to time. For example, previously available incentives favoring EVs in areas including Canada, Germany, Hong Kong, and California have expired or were cancelled or made temporarily unavailable, and in some cases were not replaced or reinstated. Any similar developments could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on us and our projects.

Our business depends on adequate infrastructure.

Resource extraction activities depend on adequate infrastructure. Reliable roads, bridges, and power sources are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations, financial condition and results of operations.

Fluctuating construction costs can impact our business.

As a result of the substantial expenditures involved in resource extraction development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new projects are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond our control. These include, but are not limited to, weather conditions, ground conditions, availability of material required for construction, availability and performance of contractors and suppliers, inflation, delivery and installation of equipment, design changes, accuracy of estimates and availability of accommodations for the workforce.

Project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond our control.

Our business could be adversely affected by environmental, health and safety laws and regulations.

The nature of our business exposes us to risks of liability under environmental laws and regulations due to the production, storage, use, transportation and sale of materials that can cause contamination or personal injury if released into the environment. In the jurisdictions in which we operate, or will operate, we are or will be subject to numerous U.S. and non-U.S. national, federal, state and local environmental, health and safety laws and regulations, including those governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated properties. Liabilities associated with the investigation and cleanup of hazardous substances, as well as personal injury, property damages or natural resource damages arising from the release of, or exposure to, such hazardous substances may be imposed in many situations without regard to violations of laws or regulations or other fault, and may also be imposed jointly and severally (so that a responsible party may be held liable for more than its share of the losses involved, or even the entire loss). Such liabilities may also be imposed on many different entities, including, for example, current and prior property owners or operators, as well as entities that arranged for the disposal of the hazardous substances. Such liabilities may be material and can be difficult to identify or quantify.

Further, some of the raw materials we handle are subject to government regulation. These regulations affect the manufacturing processes, handling, uses and applications of our products. In addition, our production facilities require numerous operating permits. Due to the nature of these requirements and changes in our operations, our operations may exceed limits under permits or we may not have the proper permits to conduct our operations. Ongoing compliance with such laws, regulations and permits is an important consideration for us, and we expect to incur substantial capital and operating costs in our compliance efforts. Compliance with environmental laws generally increases the costs of manufacturing, registration/approval requirements, transportation and storage of raw materials and finished products, and storage and disposal of wastes, and could have a material adverse effect on our results of operations. We may incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations, for violations arising under these laws or permit requirements. Furthermore, environmental laws are subject to change and have become increasingly stringent in recent years. We expect this trend to continue and to require materially increased capital expenditures and operating and compliance costs.

We are subject to extensive foreign government regulation that can negatively impact our business.

We are subject to government regulation in non-U.S. jurisdictions in which we conduct our business, including Denmark, among others. These jurisdictions may have different tax codes, environmental regulations, labor codes and legal frameworks, which adds complexity to our compliance with these regulations. The requirements for compliance with these laws and regulations may be unclear or indeterminate and may involve significant costs, including additional capital expenditures or increased operating expenses, or require changes in business practice, in each case that could result in reduced profitability for our business. Our having to comply with these foreign laws or regulations may provide a competitive advantage to competitors who are not subject to comparable restrictions or prevent us from taking advantage of growth opportunities. Determination of noncompliance can result in penalties or sanctions that could also adversely impact our operating results and financial condition.

Our inability to protect our intellectual property rights, or being accused of infringing on intellectual property rights of third parties, could have a material adverse effect on our business, financial condition and results of operations.

We rely on the ability to protect our intellectual property rights and depend on patent, trademark and trade secret legislation to protect our proprietary know-how. There can be no assurance that we have adequately protected or will be able to adequately protect our valuable intellectual property rights, or will at all times have access to all intellectual property rights that are required to conduct our business or pursue our strategies, or that we will be able to adequately protect ourselves against any intellectual property infringement claims. There is also a risk that our competitors could independently develop similar technology, processes or know-how; that our trade secrets could be revealed to third parties; that any current or future patents, pending or granted, will be broad enough to protect our intellectual property rights; or that foreign intellectual property laws will adequately protect such rights. The inability to protect our intellectual property could have a material adverse effect on our business, results of operations and financial condition.

We could face patent infringement claims from our competitors or others alleging that our processes or products infringe on their proprietary technologies. If we are found to be infringing on the proprietary technology of others, we may be liable for damages and we may be required to change our processes, redesign our products partially or completely, pay to use the technology of others, stop using certain technologies or stop producing the infringing product entirely. Even if we ultimately prevail in an infringement suit, the existence of the suit could prompt customers to switch to products that are not the subject of infringement suits. We may not prevail in intellectual property litigation and such litigation may result in significant legal costs or otherwise impede our ability to produce and distribute key products.

In addition to patents, we also rely upon unpatented proprietary manufacturing expertise, continuing technological innovation and other trade secrets to develop and maintain our competitive position. While we generally enter into confidentiality agreements with our employees and third parties to protect our intellectual property, we cannot assure you that our confidentiality agreements will not be breached, that they will provide meaningful protection for our trade secrets and proprietary manufacturing expertise or that adequate remedies will be available in the event of an unauthorized use or disclosure of our trade secrets or manufacturing expertise. In addition, our trade secrets and know-how may be improperly obtained by other means, such as a breach of our information technologies security systems or direct theft.

If we are unable to retain key personnel or attract new skilled personnel, it could have an adverse effect on our business.

Our success depends on our ability to attract and retain key personnel, including our management team. In light of the specialized and technical nature of our business, our performance is dependent on the continued service of, and on our ability to attract and retain, qualified management, scientific, technical, marketing and support personnel. Competition for such personnel is intense, and we may be unable to continue to attract or retain such personnel. In addition, because of our reliance on our senior management team, the unanticipated departure of any key member of our management team could have an adverse effect on our business. Our future success depends, in part, on our ability to identify and develop or recruit talent to succeed our senior management and other key positions throughout the organization. If we fail to identify and develop or recruit successors, we are at risk of being harmed by the departures of these key employees. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution.

Risks Related to Our Financial Condition

We are exposed to fluctuations in currency exchange rates, which may adversely affect our operating results.

We conduct our business and incur costs in the local currency of most of the countries in which we operate. Changes in exchange rates between foreign currencies and the U.S. Dollar will affect the recorded levels of our assets, liabilities, net sales, cost of goods sold and operating margins and could result in exchange losses. The primary currencies to which we have exposure are the Danish Krone and Euro. Exchange rates between these currencies and the U.S. Dollar in recent years have fluctuated significantly and may do so in the future. In addition to currency translation risks, we incur currency transaction risks whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a different currency from its functional currency. Our operating results may be affected by any volatility in currency exchange rates and our ability to manage effectively our currency transaction and translation risks.

Changes in, or the interpretation of, tax legislation or rates throughout the world could materially impact our results.

Our effective tax rate and related tax balance sheet attributes could be impacted by changes in tax legislation throughout the world.

Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, expirations of tax holidays or rulings, changes in the assessment regarding the realization of the valuation of deferred tax assets, or changes in tax laws and regulations or their interpretation. Recent developments, including the European Commission's investigations on illegal state aid, as well as the Organisation for Economic Co-operation and Development project on Base Erosion and Profit Shifting, may result in changes to long-standing tax principles, which could adversely affect our effective tax rates or result in higher cash tax liabilities.

We are and will be subject to the regular examination of our income tax returns by various tax authorities. Examinations in material jurisdictions or changes in laws, rules, regulations or interpretations by local taxing authorities could result in impacts to tax years open under statute or to foreign operating structures currently in place. We regularly assess the likelihood of adverse outcomes resulting from these examinations or changes in laws, rules, regulations or interpretations to determine the adequacy of our provision for taxes. It is possible the outcomes from these examinations will have a material adverse effect on our financial condition and operating results.

Our required capital expenditures can be complex, may experience delays or other difficulties, and the costs may exceed our estimates.

Our capital expenditures generally consist of and will consist of expenditures to maintain and improve existing equipment, facilities and properties, and substantial investments in new or expanded equipment, facilities and properties. Execution of these capital expenditures can be complex, and commencement of production will require start-up, commission and certification of product quality by our customers, which may impact the expected output and timing of sales of product from such facilities. Construction of large chemical operations is subject to numerous risks and uncertainties, including, among others, the ability to complete a project on a timely basis and in accordance with the estimated budget for such project and our ability to estimate future demand for our products. In addition, our returns on these capital expenditures may not meet our expectations.

Future capital expenditures may be significantly higher, depending on the investment requirements of any of our business lines, and may also vary substantially if we are required to undertake actions to compete with new technologies in our industry. We may not have the capital necessary to undertake these capital investments. If we are unable to do so, we may not be able to effectively compete in some of our markets.

Our business and financial results may be adversely affected by various legal and regulatory proceedings.

We may be involved in legal and regulatory proceedings, which may be material in the future. The outcome of proceedings, lawsuits and claims may differ from our expectations, leading us to change estimates of liabilities and related insurance receivables.

Legal and regulatory proceedings, whether with or without merit, and associated internal investigations, may be time-consuming and expensive to prosecute, defend or conduct, may divert management's attention and other resources, inhibit our ability to sell our products, result in adverse judgments for damages, injunctive relief, penalties and fines, and otherwise negatively affect our business.

Risks Related to Our Securities

The price of our common stock may fluctuate significantly, and this may make it difficult for you to resell the shares of common stock when you want or at prices you find attractive.

The price of our common stock as traded on the OTC Pink marketplace changes frequently. We expect that the market price of our common stock will continue to fluctuate. Our stock price may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include, among others:

- actual or anticipated announcements of technological innovations;
- actual or anticipated changes in laws and governmental regulations;
- disputes relating to patents or proprietary rights;
- changes in business practices;
- developments relating to our efforts to obtain additional financing to fund or expand our operations;
- announcements by us regarding potential acquisitions and strategic alliances;
- changes in industry trends or conditions;
- our issuance of additional debt or equity securities; and
- sales of a significant number of our shares of common stock or other securities in the market.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many small-cap companies for reasons often unrelated to their operating performance. These broad market fluctuations may adversely affect our stock price, regardless of our operating results.

We are subject to the penny stock rules adopted by the SEC that require brokers to provide extensive disclosure to their customers prior to executing trades in penny stocks. These disclosure requirements may cause a reduction in the trading activity of our common stock, which would likely make it difficult for our stockholders to sell their shares.

Rule 3a51-1 of the Exchange Act establishes the definition of a “penny stock,” for purposes relevant to us, as any equity security that has a minimum bid price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to a limited number of exceptions which are not available to us. This classification would severely and adversely affect any market liquidity for our common stock.

For any transaction involving a penny stock, unless exempt, the penny stock rules require that a broker or dealer approve a person’s account for transactions in penny stocks and the broker or dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person’s account for transactions in penny stocks, the broker or dealer must obtain financial information and investment experience and objectives of the person and make a reasonable determination that the transactions in penny stocks are suitable for that person and that such person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, which, in highlight form, sets forth:

- the basis on which the broker or dealer made the suitability determination, and
- the fact that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may not wish to engage in the above-referenced necessary paperwork and disclosures and/or may encounter difficulties in their attempt to sell shares of our common stock, which may affect the ability of stockholders to sell their shares in any secondary market and have the effect of reducing the level of trading activity in any secondary market. These additional sales practice and disclosure requirements could impede the sale of our common stock. In addition, the liquidity for our common stock may decrease, with a corresponding decrease in the price of our common stock. Our common stock, in all probability, will be subject to such penny stock rules for the foreseeable future and our stockholders will, in all likelihood, find it difficult to sell their common stock.

Future sales of our common stock in the public market or the issuance of our common stock or securities convertible into common stock could depress the price of our common stock.

Our Articles of Incorporation authorize our Board to issue shares of our common stock in excess of our current outstanding common stock. Any additional issuances of any of our authorized but unissued shares will not require the approval of stockholders and may have the effect of further diluting the equity interest of stockholders.

We may issue our common stock in the future for a number of reasons, including to attract and retain key personnel, to lenders, investment banks or investors in order to achieve more favorable terms from these parties and align their interests with our stockholders, to management and/or employees to reward performance, to finance our operations and growth strategy, to adjust our ratio of debt to equity, to satisfy outstanding obligations or for other reasons. If we issue securities, our existing stockholders may experience dilution. Future sales of our common stock, the perception that such sales could occur or the availability for future sale of shares of our common stock or securities convertible into or exercisable for our common stock could adversely affect the market prices of our common stock prevailing from time to time. The sale of shares issued upon the exercise of any derivative securities could also further dilute the holdings of our then existing stockholders.

Our common stock is not currently traded at high volumes, and you may be unable to sell at or near ask prices if you need to sell or liquidate a substantial number of shares at one time.

Our common stock is currently traded, but with very low, if any, volume, based on quotations on the OTC Pink marketplace, meaning that the number of persons interested in purchasing our common stock at or near bid prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is still relatively unknown to investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. In addition, many institutional investors, which account for significant trading activity, are restricted from investing in stocks that trade below specified prices, have less than specified market capitalizations or have less than specified trading volume. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that trading levels will be sustained.

We face potential restrictions on the use of Rule 144 for the period through February 14, 2024.

Historically, the SEC has taken the position that Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), is not available for the resale of securities initially issued by companies that are, or previously were, blank check companies, to their promoters or affiliates despite technical compliance with the requirements of Rule 144. The SEC prohibits the use of Rule 144 for resale of securities issued by shell companies (other than business transaction related shell companies) or issuers that have been at any time previously a shell company.

There can be no assurance that the SEC will not deem us to be a “shell” company. The SEC has provided an important exception to this prohibition, however, if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

We may be considered to be a former “shell” company, which will limit an investor’s ability to sell shares for the one-year period commencing on February 14, 2023.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of our stockholders may be eligible to sell all or some of their shares of our common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act, subject to certain limitations as discussed above under “We face potential restrictions on the use of Rule 144 for the period through February 14, 2024.” Rule 144 permits, under certain circumstances, the sale of securities, without any limitation, by our stockholders that are non-affiliates that have satisfied a six-month holding period. Any substantial sale of our common stock pursuant to Rule 144 or pursuant to any resale prospectus may have a material adverse effect on the market price of our common stock.

Our directors, executive officers and controlling persons as a group have significant voting power and may take actions that may not be in the best interest of stockholders.

Our directors, executive officers and controlling persons as a group beneficially own approximately 97% of our common stock. They will have the ability to exert substantial influence over all matters requiring approval by our stockholders, including the election of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, they could dictate the management of our business and affairs. This concentration of ownership could have the effect of delaying, deferring or preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to you. This significant concentration of share ownership may also adversely affect the trading price for our common stock because investors may perceive disadvantages in owning stock in a company with controlling affiliated stockholders.

We do not plan to pay dividends to holders of our common stock.

We do not anticipate paying cash dividends to the holders of our common stock at any time. Accordingly, investors in our securities must rely upon subsequent sales after price appreciation as the sole method to realize a gain on investment. There are no assurances that the price of our common stock will ever appreciate in value. Investors seeking cash dividends should not buy our securities.

General Risk Factors

Adverse conditions in the global economy, and volatility and disruption of financial markets, can negatively impact our business and results of operations.

Global financial conditions have been subject to continued volatility. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on our liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates and have a detrimental effect on our business.

Recent global economic and geopolitical events, such as the war in Ukraine and sanctions imposed on Russia and higher energy costs coupled with supply concerns, have been disruptive to the world economy, with increased volatility in commodity markets, international trade and financial markets and oil and gasoline prices, all of which have a trickle-down effect on supply chains, equipment and construction. There is substantial uncertainty about the extent to which each of these events will continue to impact economic and financial affairs, as the numerous issues arising from each event are in flux and there is the potential for escalation of conflict both within Europe and globally. There is a risk of substantial market and financial turmoil arising from further conflict, which could have a material adverse effect on the economics of our projects and our ability to operate our business and advance project development. There is also a risk of recession in the United States and elsewhere, which may cause decreases in asset values and may result in impairment losses, which could adversely impact our operations.

Our business and operations could suffer in the event of cybersecurity breaches, information technology system failures, or network disruptions.

Attempts to gain unauthorized access to our information technology systems become more sophisticated over time. These attempts, which might be related to industrial or other espionage, include covertly introducing malware to our computers and networks and impersonating authorized users, among others. In some cases, we might be unaware of an incident or its magnitude and effects. The theft, unauthorized use or publication of our intellectual property and/or confidential business information could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives or otherwise adversely affect our business. To the extent that any cybersecurity breach results in inappropriate disclosure of our customers' or licensees' confidential information, we may incur liability as a result. The devotion of additional resources to the security of our information technology systems in the future could significantly increase the cost of doing business or otherwise adversely impact our financial results.

In addition, risks associated with information technology systems failures or network disruptions, including risks associated with upgrading our systems or in successfully integrating information technology and other systems in connection with the integration of any businesses we acquire, could disrupt our operations by impeding our processing of transactions, financial reporting and our ability to protect our customer or company information, which could adversely affect our business and results of operations.

The COVID-19 pandemic could have a material adverse effect on our results of operations, financial position, and cash flows.

The COVID-19 pandemic has created significant uncertainty and economic disruption. While we have not experienced a material impact to date, the ultimate extent to which it impacts our business, results of operations, financial position, and cash flows is difficult to predict and dependent upon many factors over which we have no control. These factors include, but are not limited to, the duration and severity of the pandemic, including from the discovery of new strain variants; government restrictions on businesses and individuals; the health and safety of our employees and communities in which we do business; the impact of the pandemic on our customers' businesses and the resulting demand for our products; the impact on our suppliers and supply chain network; the impact on U.S. and global economies and the timing and rate of economic recovery; and potential adverse effects on the financial markets.

Natural disasters or other unanticipated catastrophes could impact our results of operations.

The occurrence of natural disasters, such as hurricanes, floods or earthquakes; pandemics, such as COVID-19, or other unanticipated catastrophes at any of the locations in which we or our key partners, suppliers and customers do business, could cause interruptions in our operations. A global or regional pandemic or similar outbreak in a region of ours, our customers or our suppliers could disrupt business. If similar or other weather events, natural disasters or other catastrophic events occur in the future, they could negatively affect the results of operations at our sites in the affected regions as well as have adverse impacts on the global economy.

If we are unable to develop and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act, it could have a material adverse effect on our business.

We are required to provide a quarterly management certification and an annual management assessment of the effectiveness of our internal controls over financial reporting. As of December 31, 2021, we disclosed the following material weaknesses that have not yet been remediated: (1) lack of a functioning audit committee and lack of a majority of outside directors on our Board, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; (3) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of generally accepted accounting principles in the United States and SEC disclosure requirements; and (4) ineffective controls over period end financial disclosure and reporting processes.

If we are not able to implement and document the necessary policies, processes and controls to mitigate financial reporting risks, we may not be able to comply with the requirements of Section 404(a) in a timely manner or with adequate compliance. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of applicable market or exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in our company and the reliability of our financial statements. Confidence in the reliability of our financial statements could also suffer if we are unable to remediate our existing material weaknesses or report additional material weaknesses in our internal control over financial reporting. This could materially adversely affect us and lead to a decline in the price of our common stock.

Our insurance may not fully cover all potential exposures.

Our insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and coverage limits. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental remediation. In addition, from time to time, various types of insurance for companies in the specialty chemical industry have not been available on commercially acceptable terms or, in some cases, have not been available at all. We are potentially at additional risk if one or more of our insurance carriers fail. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers. Future downgrades in the ratings of enough insurers could adversely impact both the availability of appropriate insurance coverage and its cost. In the future, we may not be able to obtain coverage at current levels, if at all, and our premiums may increase significantly on coverage that we maintain.

We may be exposed to certain regulatory and financial risks related to climate change.

Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. Climate changes include changes in rainfall and in storm patterns and intensities, water shortages, significantly changing sea levels and increasing atmospheric and water temperatures, among others. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change, including regulating greenhouse gas emissions. Potentially, additional U.S. federal regulation will be forthcoming with respect to greenhouse gas emissions (including carbon dioxide) and/or legislation that could impact our operations. In addition, we may in the future have operations in the EU, which has agreed to implement measures to achieve objectives under the 2015 Paris Climate Agreement, an international agreement linked to the United Nations Framework Convention on Climate Change, which set targets for reducing greenhouse gas emissions.

The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in new or additional requirements, additional charges to fund energy efficiency activities, and fees or restrictions on certain activities. While certain climate change initiatives may result in new business opportunities for us by increasing the demand for EVs and lithium-ion batteries, compliance with these initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, reduced emission allowances or additional restrictions on production or operations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Even without such regulation, increased public awareness and adverse publicity about potential impacts on climate change emanating from us or our industry could harm us. We may not be able to recover the cost of compliance with new or more stringent laws and regulations, which could adversely affect our business and negatively impact our growth. Furthermore, the potential impact of climate change and related regulation on our customers is highly uncertain and there can be no assurance that it will not have an adverse effect on our financial condition and results of operations.

We may become party to litigation or other proceedings.

In the ordinary course of our business, we may become party to new litigation or other proceedings in local or international jurisdictions in respect of any aspect of our business, whether under criminal law, contract or otherwise. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, failure to comply with disclosure obligations or labor disruptions at our project sites. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations, and we may incur expenses in defending them and be subject to fines or penalties in case of any violation and could face damage to our reputation. We may attempt to resolve disputes involving foreign contractors/suppliers through arbitration in another country, and such arbitration proceedings may be costly and protracted, which may have an adverse effect on our financial condition. Litigation may be costly and time-consuming and can divert the attention of management and key personnel from our operations and, if adjudged adversely to us, may have a material and adverse effect on our cash flows, results of operations and financial condition.

We may have certain conflicts of interest.

Our directors and officers may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies. To the extent that such other companies may participate in ventures in which we may participate or wish to participate, our directors and officers may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation.

Cautionary Language Regarding Forward-Looking Statements and Industry Data

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, many of which are beyond our control. Our actual results could differ materially and adversely from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in this report. Important factors that may cause actual results to differ from projections include, but are not limited to, for example:

- changes in economic and business conditions;
- our limited operating history in the lithium industry;
- availability of raw materials;
- increases in the cost of raw materials and energy;
- the pace of adoption and cost of developing electric transportation and storage technologies dependent upon lithium batteries;
- estimates of and volatility in lithium prices or demand for lithium;
- changes in our market in general;
- the occurrence of regulatory actions, proceedings, claims or litigation;
- changes in laws and government regulations impacting our operations;
- the effects of climate change, including any regulatory changes to which we might be subject;
- hazards associated with chemicals manufacturing;
- changes in accounting standards;
- our ability to access capital and the financial markets;
- volatility and uncertainties in the debt and equity markets;
- the development of an active trading market for our common stock;
- the occurrence of cyber-security breaches, terrorist attacks, industrial accidents or natural disasters;
- technology or intellectual property infringement, including through cyber-security breaches, and other innovation risks;
- recruiting, training and developing employees;
- our failure to successfully execute our growth strategy, including any delays in our future growth;

- decisions we may make in the future;
- uncertainties as to the duration and impact of the COVID-19 pandemic; and
- other specific risks that may be referred to in this report.

All statements, other than statements of historical facts, included in this report regarding our strategy, future operations, financial position, estimated revenue or losses, projected costs, prospects and plans and objectives of management are forward-looking statements. When used in this report, the words “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “plan,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this report. We undertake no obligation to update any forward-looking statements or other information contained herein. Stockholders and potential investors should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions, and expectations reflected in or suggested by the forward-looking statements in this report are reasonable, we cannot assure stockholders and potential investors that these plans, intentions, or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under “Risk Factors” and elsewhere in this report. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We have no obligation to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements, except as required by federal securities laws. See “Risk Factors” for a more detailed discussion of uncertainties and risks that may have an impact on our future results.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a pure-play lithium company focused on supplying high performance lithium compounds to the fast-growing EV and broader battery markets. We have developed a proprietary technology to extract lithium from oilfield wastewater, which we believe will enable us to manufacture lithium compounds quickly, at an attractive cost, and with a minimal environmental footprint, which we expect to provide us with a competitive advantage over other lithium manufacturers. We believe this competitive advantage will enable us to capitalize on the acceleration of vehicle electrification and renewable energy adoption.

We plan to establish our first lithium carbonate manufacturing facility in 2023, which will be capable of manufacturing up to 1,000 metric tons of LCE, and we plan to begin manufacturing battery-grade lithium compounds at such facility in the first half of 2024.

In order to meet our targets, management will focus on the achievement of several critical missions over the next year:

Site Selection. Our proprietary technology operates on a vastly smaller footprint compared to traditional lithium production. While conventional production facilities require up to 65 acres for solar evaporation brine extraction and 115 acres for hard rock mining per 1,000 metric tons of LCE production, our production facilities require only 1.4 acres and can be located in remote areas or co-located with existing oil mining operation sites.

In order to achieve the planned start of production in the first half of 2024, we will need to locate a suitable manufacturing site. To this end, we are currently in discussions with oil and gas producers and service providers.

Lithium feedstock. We are dependent on a continued supply of produced water. Currently, the disposal of produced water is a costly undertaking for oil well operators and carries a large environmental footprint. We believe our proprietary technology offers significant cost savings for oil well operators as water is cleaned and used for re-injection or other purposes.

The current U.S. production of produced water is more than 50 million barrels per day. Not all produced water is suitable for lithium production, but we estimate that the current U.S. production of produced water is sufficient to produce more than 500,000 metric tons of LCE annually. Based on ongoing discussions, management does not currently anticipate significant difficulties in sourcing sufficient quantities of produced water.

Sourcing of Components. We source the major components for our proprietary lithium extraction process from blue-chip international suppliers. Management currently anticipates timely access to all major components. However, supply chain difficulties as seen during late 2021 and early 2022 could delay production start dates. We have identified our major vendors and are currently in contract discussions.

Hiring of Key Personnel. While our production process is largely automated, we will require significant additions to our personnel to achieve production start targets. Key areas of expansion are anticipated to include management, research and development, sales, project management and administration. We currently have eight full-time employees and are in the process of hiring additional key personnel.

Results of Operations

The following is a discussion of the financial condition and results of operations of Lithium Harvest prior to the Exchange Transaction and is intended to assist in the understanding and assessment of significant changes and trends related to its results of operations and financial position. This discussion should be read in conjunction with Lithium Harvest's unaudited financial statements for the three and nine months ended September 30, 2022 and 2021 and the accompanying notes and Lithium Harvest's audited financial statements for the year ended December 31, 2021 and the period ended December 30, 2020 and the accompanying notes, in each case appearing elsewhere in this Current Report on Form 8-K.

	For the 12 Months Ended <u>Dec 31, 2021</u>	For the Period Ended <u>Dec 31, 2020</u>	For the Nine Months Ended <u>Sep 30, 2022</u>	For the Nine Months Ended <u>Sep 30, 2021</u>
Operating and administrative expenses				
General and administrative expenses	\$ 310	\$ 374	\$ 1,520	\$ 241
Management fees	-	-	4,285	-
Professional fees	791	-	2,715	-
Total operating and administrative expenses	<u>1,101</u>	<u>-</u>	<u>8,520</u>	<u>241</u>
Net loss for the period	(1,101)	(374)	(8,520)	(241)
Other comprehensive loss				
Translation gain/(loss)	(583)	315	(167)	(446)
Comprehensive loss for the period	<u>\$ (1,684)</u>	<u>\$ (59)</u>	<u>\$ (8,687)</u>	<u>\$ (687)</u>
Basic and diluted loss per share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Weighted average number of common shares outstanding	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Operating Expenses

Operating expenses for the nine months ended September 30, 2022 were \$8,520 compared to \$241 for the nine months ended September 30, 2021. The increase in operating expenses was primarily due to \$4,285 in management fees to support development of Lithium Harvest's first production plant and \$2,715 in professional fees.

Operating expenses for the year ended December 31, 2021 were \$3,228 compared to \$0 for the period ended December 31, 2020. The increase in operating expenses was primarily due to \$791 in increased professional fees.

Net Loss

Net loss for the nine months ended September 30, 2022 was \$8,520 compared to \$241 for the nine months ended September 30, 2021. The increase in net loss was primarily due to additional management and professional fees.

Net loss for the year ended December 31, 2021 was \$1,101 compared to \$374 for the period ended December 31, 2020. The increase in net loss was primarily due to increased professional fees.

Translation Gain/(Loss)

Translation loss for the nine months ended September 30, 2022 was \$167 compared to \$446 for the nine months ended September 30, 2021. The decrease in translation loss was primarily due to favorable movement in exchange rates.

Translation loss for the year ended December 31, 2021 was \$583 compared to translation gain of \$315 for the period ended December 31, 2020. The change in translation gain/(loss) was primarily due to unfavorable exchange rates.

Comprehensive Loss

Comprehensive loss for the nine months ended September 30, 2022 was \$(8,687) compared to \$(687) for the nine months ended September 30, 2021, primarily due to the changes discussed above.

Comprehensive loss for the year ended December 31, 2021 was \$(1,684) compared to \$(59) for the period ended December 31, 2020, primarily due to the changes discussed above.

Liquidity and Capital Resources

Lithium Harvest had cash of \$35 and a working capital deficit of \$2,490 as of September 30, 2022, compared to cash of \$6,958 and a working capital surplus of \$6,197 as of December 31, 2021. As of September 30, 2022, Lithium Harvest had an accumulated deficit of \$2,490 since inception.

Further losses are anticipated in the development of our business, and Lithium Harvest's operating losses create substantial doubt about our ability to continue as a going concern. We will need to raise additional cash in order to execute on current growth plans and fund ongoing operations over the next 12 months. However, there is no assurance that such funds will be available on acceptable terms, or at all.

The notes to Lithium Harvest's financial statements as of September 30, 2022 disclose its uncertain ability to continue as a going concern; however, such financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Net Cash Flows Used in Operating Activities

Net cash flows used in operating activities during the nine months ended September 30, 2022 were \$6,756, compared to \$241 during the nine months ended September 30, 2021, which was primarily due to increased operating expenses in the form of professional and management fees and sundry taxes, partially offset by an increase in accounts payable and accrued liabilities.

Net cash flows used in operating activities during the year ended December 31, 2021 were \$340, compared to \$374 during the period ended December 31, 2020, which was primarily due to an increase in accounts payable and accrued liabilities, partially offset by increased operating expenses in the form of professional fees.

Net Cash Flows Provided by Financing Activities

Net cash flows provided by operating activities during the year ended December 31, 2021 were \$0, compared to \$7,940 during the period ended December 31, 2020, which was due to proceeds from shares issued to Lithium Harvest's founders.

Critical Accounting Estimates

Lithium Harvest'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 preparation of Lithium Harvest's financial statements is critical to an understanding of its financial statements. Please read the notes to Lithium Harvest's financial statements for details.

The preparation of the consolidated 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 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.

A critical accounting estimate is defined as a financial statement item where significant judgment is required in the selection of accounting policies and the determination of estimates. The accounting estimates that require more significant judgment are included below:

1. Revenue recognition: We use judgment in determining the timing of revenue recognition and the amount of revenue to be recognized. This judgment is based on the timing of delivery, customer acceptance and other factors. Our revenue recognition policies are subject to periodic review and changes, and any changes could have a material impact on our financial statements.
2. Allowance for doubtful accounts: We estimate the allowance for doubtful accounts based on historical data, current economic conditions and other factors. The actual amount of uncollectible accounts may differ from our estimates, and any significant changes could impact our financial statements.

3. Inventory valuation: We estimate the value of inventory based on historical cost, estimated future demand and other factors. We regularly review our inventory and may write down the value if it is deemed to be obsolete or overvalued. Any significant changes to our inventory valuation could impact our financial statements.
4. Depreciation and amortization: We estimate the useful lives of our property, plant and equipment and intangible assets, and the residual values used in our depreciation and amortization calculations. Our estimates are subject to change based on economic conditions, technological advancements and other factors, and any changes could have a material impact on our financial statements.
5. Impairment of long-lived assets: We periodically review our long-lived assets for impairment and estimate the fair value of those assets. Our estimates are based on a variety of factors, including market conditions and future plans for the assets. If the estimated fair value of the assets is lower than the carrying value, we recognize an impairment charge. Any changes to our estimates could result in impairment charges and have a material impact on our financial statements.
6. Exchange rates and translational risks: We are exposed to exchange rate fluctuations and translational risks, particularly with respect to the Danish Krone. We estimate the impact of these fluctuations on our financial statements and make adjustments as necessary. The fluctuations in exchange rates could have a significant impact on the value of our assets and liabilities denominated in foreign currencies, and on our results of operations when translating these amounts into our functional currency. Any material changes in exchange rates could have a significant impact on our financial statements.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of our common stock immediately following the Closing by (a) each person who is known by us to beneficially own 5% or more of our common stock, (b) each of our directors and executive officers, and (c) all of our directors and executive officers as a group. Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, which includes the power to dispose of or to direct the disposition of the security or the right to acquire such powers within 60 days. In computing the number of shares of our common stock beneficially owned by a person or entity and the percentage ownership, the Company deemed outstanding shares of its common stock subject to options held by that person or entity that are currently exercisable or exercisable within 60 days of the Closing Date. The Company did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity. Unless otherwise noted, the address of each beneficial owner is c/o Sustainable Projects Group Inc., 2316 Pine Ridge Rd #383, Naples, Florida.

The beneficial ownership of the Company's common stock is based on 287,190,813 shares of the Company's common stock issued and outstanding immediately following the Closing.

Name	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned ⁽²⁾
Greater than 5% Stockholders		
Kestrel Flight Fund LLC ⁽¹⁾	71,797,703	25.0%
AØNP14 ApS ⁽²⁾	21,700,059	7.6%
Directors and Executive Officers		
Sune Mathiesen ⁽³⁾	92,483,587	32.2%
Stefan Muehlbauer	1,000,000	0.3%
Paw Juul ⁽⁴⁾	92,483,587	32.2%
All directors and executive officers as a group (3 persons)	185,967,174	64.8%

* Less than one percent of outstanding shares.

(1) Albert Hanser is the Managing Partner of Kestrel Flight Fund LLC. The address of Kestrel Flight Fund LLC is 149 Meadowbrook Road, Weston, Massachusetts 02493.

(2) Aldo Petersen is the managing director of AØNP14 ApS. The address of AØNP14 ApS is Amaliegade 6, DK-1256 København K.

(3) Consists of 92,483,587 shares owned directly by Sune Mathiesen Holding APS. Mr. Mathiesen is the managing director of Sune Mathiesen Holding APS.

(4) Consists of 92,483,587 shares owned by FENO Holding ApS. Mr. Juul is the managing director of FENO Holding ApS.

Directors and Executive Officers, Promoters and Control Persons

The names, ages and positions of our directors and executive officers upon the Closing, are as follows:

Name	Age	Position
Sune Mathiesen	48	Chairman, President, Chief Executive Officer and Director
Stefan Muehlbauer	44	Chief Financial Officer and Director
Paw Juul	44	Chief Technology Officer and Director*

* Mr. Juul's appointment as a director is effective 10 days following the mailing of an information statement that satisfies the requirements of Rule 14F-1 under the Exchange Act to the Company's stockholders.

Sune Mathiesen. Mr. Mathiesen has served as the Chairman, President, Chief Executive Officer and a director of the Company since February 14, 2023. Prior to joining the Company, Mr. Mathiesen served as the President and Chief Executive Officer of Lithium Harvest since August 2020. Prior to co-founding Lithium Harvest, Mr. Mathiesen served as Chief Executive Officer and a Director of LiqTech International Inc. (Nasdaq: LIQT) from July 2014 to May 2022. Mr. Mathiesen has also served as a CEO and Director of Masu A/S, a Danish company, since February 2013. He is the owner and Chief Executive Officer of Sune Mathiesen Holding ApS, which he founded in August 2020, and Masu Consult ApS, which he founded in January 2018. He previously served as CEO and Director of Provital A/S from June 2012 to August 2015. Before that he served as Country Manager of Broen Lab Group from July 2010 to May 2011 and as Country Manager of GPA Flowsystem from August 1997 to June 2010. Mr. Mathiesen has been working hands-on with technical products within the valves and fittings industry for the past 20 years. He has a degree in commercial science from Via College in Randers, Denmark. The Board has concluded that Mr. Mathiesen should serve as a director because his significant experience in management and business development enables him to make valuable contributions to the Board.

Stefan Muehlbauer. Mr. Muehlbauer has been the Chief Executive Officer of the Company since May 2018, the Chief Financial Officer of the Company from January 2018 to May 2018 and since July 2018, the Chief Communications Officer and a director of the Company since February 2017, and the Treasurer and Corporate Secretary of the Company since January 2018. Mr. Muehlbauer also has served as Chief Executive Officer of Arma Communications Inc., a business development and marketing agency, since 2013. Previously, Mr. Muehlbauer held positions with several leading investment banks in Europe, including as the Chief Operating Officer at Silvia Quandt & Cie AG, where he was responsible for building up the institution's research and corporate finance activities. Mr. Muehlbauer received his degree in Finance from the University of Miami. The Board has concluded that Mr. Muehlbauer should serve as a director because of his significant business experience, investment banking background and knowledge of financial markets.

Paw Juul. Mr. Juul has served as the Chief Technology Officer of the Company since February 14, 2023. Prior to joining the Company, Mr. Juul served as the Chief Technology Officer of Lithium Harvest since August 2020. Prior to co-founding Lithium Harvest, Mr. Juul served as the Chief Executive Officer of LiqTech Water A/S, a subsidiary of LiqTech International Inc. from September 2014 until March 2022. Mr. Juul co-founded Pivotal A/S in 2009 and served as its Chief Technology Officer until August 2014. Mr. Juul has also been the Chief Executive Officer of QLT Water ApS since May 2022 and FENO Holding ApS since January 2018. Mr. Juul has extensive experience in new business development, specifically in the water treatment industry. Mr. Juul holds a master's degree in Biomedical Engineering from Aalborg University in Aalborg, Denmark. The Board has concluded that Mr. Juul should serve as a director because his significant experience in management, business development and the water treatment industry enables him to make valuable contributions to the Board.

Board Committees

The Company intends to create audit, compensation and nomination and governance committees after the Closing.

Director Compensation

Directors are expected to timely and fully participate in all regular and special board meetings, and all meetings of committees that they serve on. While director compensation is to be determined in the future, we intend to compensate independent directors in the future through cash and potentially equity grants and other directors through equity grants.

Indebtedness of Directors and Executive Officers

None of our directors or executive officers or their respective associates or affiliates is indebted to us.

Family Relationships

There are no family relationships among our directors and executive officers.

Legal Proceedings

As of the date of this report, there is no material proceeding to which any of our directors, executive officers, affiliates or stockholders is a party adverse to us.

Code of Ethics

The Company intends to adopt a code of ethics following the Closing.

Executive Compensation

Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was awarded to, earned by, or paid to our named executive officers for fiscal 2022 and 2021.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Bonus (\$ (d)	Stock Awards (\$ (e)	Option Awards (\$ (f)	Incentive Plan (\$) (g)	Non-qualified Deferred Compensation Earnings (\$ (h)	All other compensation (\$ (i)	Total (\$ (j)
Stefan Muehlbauer, CEO	2021	24,000	nil	nil	nil	nil	nil	nil	24,000
	2022	24,000	nil	nil	nil	nil	nil	nil	24,000
Tiffany Muehlbauer, COO	2021	12,000	nil	nil	nil	nil	nil	nil	12,000
	2022	12,000	nil	nil	nil	nil	nil	nil	12,000

Outstanding Equity Awards

Since inception, there were no stock options, stock appreciation rights or other equity awards that have been granted, exercised or re-priced.

Lithium Harvest Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was awarded to, earned by, or paid to Lithium Harvest's named executive officers for fiscal 2022 and 2021.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Bonus (\$ (d)	Stock Awards (\$ (e)	Option Awards (\$ (f)	Incentive Plan (\$) (g)	Non-qualified Deferred Compensation Earnings (\$ (h)	All other compensation (\$ (i)	Total (\$ (j)
Sune Mathiesen, CEO	2021	nil	nil	nil	nil	nil	nil	nil	nil
	2022	nil	nil	nil	nil	nil	nil	nil	nil
Paw Juul, CTO	2021	nil	nil	nil	nil	nil	nil	nil	nil
	2022	nil	nil	nil	nil	nil	nil	nil	nil

Outstanding Equity Awards

Since inception, there were no stock options, stock appreciation rights or other equity awards that have been granted, exercised or re-priced.

Employment Agreements

Item 1.01 of this report describes certain compensatory arrangements (see “Employment Agreements”), which is incorporated by reference herein.

Certain Relationships and Related Transactions, and Director Independence

We describe below transactions or series of similar transactions, since January 1, 2021, or currently proposed, to which we were a party or will be a party, in which, the amounts involved exceeded \$120,000; and

- any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting this criteria to which we have been or will be a party other than (i) compensation arrangements, which are described where required under the section titled “Executive Compensation,” and (ii) the Exchange Transaction, described in the section titled “Entry Into a Material Definitive Agreement.”

The Company’s Related Party Transactions

As described above, Albert Hanser is the Managing Partner of Kestrel Flight Fund LLC and directly or indirectly holds 25% of the issued and outstanding shares in the Company. Kestrel Flight Fund LLC loaned the Company \$100,000 pursuant to a Loan Agreement dated July 21, 2021, by and between the Company and Kestrel Flight Fund LLC, which was subsequently amended on June 22, 2022, to increase the loan amount by \$25,000 to a total of \$125,000 (the “Loan”). The Loan accrued interest at the rate of 10% per annum and converted into the Company’s common stock upon the effectiveness of the Exchange Transaction.

Lithium Harvest’s Related Party Transactions

Lithium Harvest has purchased services from Masu Consult ApS, which is wholly owned by Sune Mathiesen, in the total amount of \$249,913, and the Company has outstanding invoices from Masu Consult ApS in the total amount of \$249,913.

Director Independence

Our shares are not currently listed for trading on a national securities exchange and, as such, we are not subject to any director independence standards. Utilizing the definition of “independent” set forth in both the Nasdaq Stock Market’s and New York Stock Exchange’s listing standards, the Company believes that it does not have any independent directors.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Since inception on September 4, 2009, there were no disagreements with the Company’s principal accountants on any matter of accounting principle or practices, financial statement disclosure or auditing scope or procedure. In addition, there were no reportable events as described in Item 304 of Regulation S-K that occurred within the Company’s two most recent fiscal years and the subsequent interim periods. The Company’s Independent Registered Public Accounting Firm since May 4, 2018 has been Fruci & Associates II, PLLC, Certified Public Accountants of Spokane, Washington whom audited the Company’s May 31, 2018 year end, December 31, 2018 year end and December 31, 2019 year end. The Company’s Independent Registered Public Accounting Firm Since August 17, 2021 has been K.R. Margetson Ltd of Vancouver, Canada, who audited the Company’s December 31, 2020 year end and December 31, 2021 year end.

Description of Securities

Common Stock

We are authorized to issue 500,000,000 shares of common stock, par value \$0.0001 per share. Holders of our common stock are entitled to one vote per share. Our Articles of Incorporation, as amended (the “Articles of Incorporation”), do not provide for cumulative voting, which means that the holders of more than 50% of outstanding shares voting for the election of directors can elect all of our directors if they so choose and, in such event, the holders of the remaining shares will not be able to elect any of our directors. Holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by our board of directors out of legally available funds. However, the current policy of our board of directors is to retain earnings, if any, for the operation and expansion of the Company. Upon liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all of our assets which are legally available for distribution, after payment of or provision for all liabilities and the liquidation preference of any outstanding preferred stock. The holders of our common stock have no preemptive, subscription, redemption or conversion rights. All issued and outstanding shares of common stock are fully paid and non-assessable.

Stock Options

There are currently no outstanding stock options.

Trading Information

Our shares of common stock are currently traded on the OTC Pink marketplace under the symbol SPGX. The range of high and low bid information for shares of Company common stock for each full quarterly period within the two most recent fiscal years is set forth below. These bid prices represent prices quoted by broker-dealers on the OTC Pink marketplace. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions, and may not represent actual transactions. Given the significant changes in our business, capital structure, and management following the Exchange Transaction on February 14, 2023, we believe that our historical trading information before the Exchange Transaction is no longer relevant.

On February 13, 2023, the closing price of our common stock, as reported by the OTC Pink marketplace, was \$0.05 per share.

	High	Low
2022:		
Four quarter ended December 31, 2022	\$ 0.032	\$ 0.025
Third quarter ended September 30, 2022	0.10	0.017
Second quarter ended June 30, 2022	0.13	0.017
First quarter ended March 31, 2022	0.12	0.062
2011:		
Fourth quarter, ended December 31, 2021	\$ 0.12	\$ 0.12
Third quarter, ended September 30, 2021	0.12	0.012
Second quarter ended June 30, 2021	0.46	0.023
First quarter ended March 31, 2021	0.698	0.018

Transfer Agent

The transfer agent and registrar for our common stock is Empire Stock Transfer, 1859 Whitney Mesa Dr., Henderson, Nevada.

Record and Beneficial Holders

As of February 13, 2023, there were approximately 96 holders of record of our common stock.

Dividends

We have not paid any dividends on our common stock and we do not intend to pay any dividends on our common stock in the foreseeable future.

Indemnification of Directors and Officers

The Nevada Revised Statutes ("NRS")

Under Nevada law, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding if he or she:

- (a) is not liable pursuant to NRS § 78.138; or
- (b) acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person is liable pursuant to NRS § 78.138 or did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, or that, with respect to any criminal action or proceeding, he or she had reasonable cause to believe that his or her conduct was unlawful.

Under our By-laws, we indemnify every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, because he, she, or a person whom he or she legally represents is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust, or other enterprise, is indemnified and held harmless to the fullest legally permissible under Chapter 78 of the NRS from time to time against all expenses, liability, and loss (including attorney's fees, judgments, fines, and amounts paid or to be paid in settlements) reasonably incurred or suffered by him or her in connection with his or her acting.

The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. The right of indemnification is a contract right that may be enforced in any manner desired by the person. The right of indemnification does not extinguish any other right that the directors, officers, or representatives may have or later acquire and, without limiting the generality of the statement, they are entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law, or otherwise, as well as their rights under this article.

We have been advised that in the opinion of the U.S. Securities and Exchange Commission, insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event a claim for indemnification against such liabilities (other than our payment of expenses incurred or paid by our director, officer, or controlling person in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

At present, there is no pending litigation or proceeding involving any of our directors, officers, or employees in which indemnification is sought, nor are we aware of any threatened litigation that may result in claims for indemnification.

We intend to enter into separate, but substantively identical, indemnification agreements with each of our directors and executive officers. The indemnification agreements will allow us to indemnify each of them to the fullest extent permitted by Nevada law.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 of this report is incorporated by reference herein.

The shares of our common stock issued to former holders of Lithium Harvest common stock in connection with the Exchange Transaction were exempt from registration under Section 4(2) of the Securities Act as a sale by an issuer not involving a public offering or under Regulation D promulgated pursuant to the Securities Act. None of the common stock was registered under the Securities Act or the securities laws of any state. Such securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

Item 5.01 Change in Control of Registrant.

The information contained in Item 2.01 of this report is incorporated by reference herein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information contained in Item 1.01 (see “Entry into a Material Definitive Agreement”) and Item 2.01 (see “Completion of Acquisition or Disposition of Assets”) of this report is incorporated by reference herein.

Item 5.06 Change in Shell Company Status.

As a result of the Exchange Transaction, the Company ceased to be a shell company. Reference is made to the disclosure in Items 1.01 and 2.01 of this Report, which is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

The audited financial statements of Lithium Harvest for the year and period December 31, 2021 and 2020 are attached as Exhibit 99.1 to this report and are incorporated by reference herein. The unaudited financial statements of Lithium Harvest for the three and nine months ended September 30, 2022 are attached as Exhibit 99.2 to this report and are incorporated by reference herein.

(b) Pro Forma Financial Information

The unaudited pre-reverse takeover pro forma financial statements of the Company are filed as Exhibit 99.3 hereto and incorporated herein by reference. The unaudited pre-reverse takeover pro forma financial statements are not intended to represent or be indicative of our consolidated results of operations or financial condition that would have been reported had the Exchange Transaction been completed as of the dates presented and should not be taken as representative of our future consolidated results of operations or financial condition.

(c) Exhibits

The exhibits listed in the following exhibit index are filed as part of this report.

- 2.1 [Securities Exchange Agreement, among Sustainable Projects Group Inc., Lithium Harvest ApS and, for certain limited purposes, its shareholders, dated as of February 14, 2023.](#)
- 3.1 [Articles of Incorporation, filed as an exhibit to the registrant's Form S-1/A – Amendment #1 filed on December 17, 2010, and incorporated herein by reference.](#)
- 3.2 [By-Laws, filed as an exhibit to the registrant's Form S-1 \(Registration Statement\) filed on September 13, 2010, and incorporated herein by reference.](#)
- 3.4 Certificate of Amendment, filed as an exhibit to the registrant's Form S-1 (Registration Statement) filed on September 13, 2010, and incorporated herein by reference.
- 3.5 [Certificate of Amendment, filed as an exhibit to the registrant's Form 8-K filed on December 19, 2016, and incorporated herein by reference.](#)
- 3.6 [Certificate of Amendment, filed as an exhibit to the registrant's Form 8-K filed on October 26, 2017, and incorporated herein by reference.](#)
- 10.1 [Executive Service Agreement, by and between Sustainable Projects Group Inc. and Sune Mathiesen, dated as of February 14, 2023.](#)
- 10.2 [Form of Employment Agreement, by and between Sustainable Projects Group Inc. and Sune Mathiesen.](#)
- 10.3 [Employment Agreement, by and between Sustainable Projects Group Inc. and Stefan Muehlbauer, dated as of February 14, 2023.](#)
- 10.4 [Executive Service Agreement, by and between Sustainable Projects Group Inc. and Paw Juul, dated as of February 14, 2023.](#)
- 10.5 [Form of Employment Agreement, by and between Sustainable Projects Group Inc. and Paw Juul.](#)
- 21.1 [Subsidiaries of the registrant.](#)
- 99.1 [Financial Statements of Lithium Harvest ApS for the year and period December 31, 2021 and 2020.](#)
- 99.2 [Financial Statements of Lithium Harvest ApS for the three and nine months ended September 30, 2022.](#)
- 99.3 [Pre-Reverse Takeover Pro Forma Financial Statements of Sustainable Projects Group Inc. for the nine months ended September 30, 2022.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUSTAINABLE PROJECTS GROUP INC.

Date: February 14, 2023

By: */s/ Sune Mathiesen*

Sune Mathiesen
Chairman, President and Chief Executive Officer

Securities Exchange Agreement
among
Sustainable Projects Group Inc.
and
Lithium Harvest ApS
and, for certain limited purposes, its shareholders

February 14, 2023

TABLE OF CONTENTS

	<u>Page No.</u>
1. The Exchange Offer.	1
1.2 Articles of Incorporation, By-laws, Directors and Officers.	2
1.3 Manner and Basis of Exchange of Shares.	2
1.4 Exchange of Certificates.	3
1.5 Parent Common Stock	3
2. Representations and Warranties of the Company.	3
2.1 Organization, Standing, Subsidiaries, Etc.	3
2.2 Qualification	3
2.3 Capitalization of the Company	4
2.4 Indebtedness.	4
2.5 Company Shareholders	4
2.6 Corporate Acts and Proceedings	4
2.7 Compliance with Laws and Instruments	4
2.8 Binding Obligations	5
2.9 Brokers and Finders	5
2.10 Financial Statements	5
2.11 Absence of Undisclosed Liabilities	5
2.12 Changes	6
2.13 Schedule of Assets and Contracts.	6
2.14 Employees	8
2.15 Tax Returns and Audits	8
2.16 Patents and Other Intangible Assets	9
2.17 Employee Benefit Plans; ERISA	9
2.18 Title to Property and Encumbrances	10
2.19 Condition of Properties	10
2.20 Insurance Coverage	10
2.21 Litigation	11
2.22 Licenses	11
2.23 Interested Party Transactions	11
2.24 Hazardous Waste	11
2.25 Customers, Suppliers and Independent Contractors	11

2.26	Foreign Corrupt Practices	11
2.27	Obligations to or by Shareholders	12
2.28	No Other Representations and Warranties	12
3.	Representations and Warranties of Parent	12
3.1	Organization and Standing	12
3.2	Corporate Authority	12
3.3	Brokers and Finders	12
3.4	Capitalization of Parent	12
3.5	Validity of Shares	13
3.6	SEC Reporting and Compliance	13
3.7	Financial Statements	14
3.8	Governmental Consents	14
3.9	Compliance with Laws and Other Instruments	14
3.10	No General Solicitation	14
3.11	Litigation	15
3.12	Foreign Corrupt Practices	15
4.	Representations, Warranties and Covenants of the Shareholders	15
4.1	Acts and Proceedings	15
4.2	Compliance with Laws and Instruments	15
4.3	Binding Obligation	15
4.4	Title to Shares	16
4.5	Information	16
4.6	Resale of Stock	16
5.	Additional Agreements.	16
5.1	Access and Information	16
5.2	Commercially Reasonable Efforts	17
5.3	Publicity	17
5.4	Appointment of Parent Directors	17
5.5	Parent Name Change and Symbol Change	17
5.6	2023 Incentive Compensation Plan	17
5.7	Employment Agreements	18
6.	Closing Deliverables.	18
6.1	Company Closing Deliverables	18
6.2	Parent Closing Deliverables	18
7.	Non-Survival of Representations and Warranties	19
8.	Amendment of Agreement	20
9.	Definitions	20
10.	Closing	23
11.	Miscellaneous.	23
11.1	Notices	23
11.2	Entire Agreement	24
11.3	Expenses	24
11.4	Time	24
11.5	Severability	24
11.6	Successors and Assigns	24
11.7	No Third Parties Benefited	24
11.8	Counterparts	25
11.9	Recitals, Schedules and Exhibits	25
11.10	Section Headings and Gender	25
11.11	Governing Law and Venue	25

LIST OF EXHIBITS AND SCHEDULES

Exhibits

A	Articles of Incorporation of Parent
B	By-laws of Parent
C	Directors and Officers of Parent
D-1	Form of Employment Agreement – S. Mathiesen
D-2	Form of Employment Agreement – P. Juul

Company Disclosure Schedules

2.5	Company Shareholders
2.10	Financial Statements
2.12	Changes
2.13(a)	Leased Real and Personal Property
2.13(b)	Material Agreements
2.13(c)	Insurance
2.13(d)	Patents and Other Intangible Assets
2.13(e)	Substantial Compliance
2.14	Obligations to Officers, Directors and Employees
2.17	Employee Benefit Plans
2.20	Insurance Coverage
2.23	Interested Party Transactions
2.27	Obligations to or by Shareholders

Parent Disclosure Schedules

3.1	Parent Subsidiaries
3.3	Parent Brokers and Finders
3.7	Parent SEC Reporting
3.11	Parent Litigation

SECURITIES EXCHANGE AGREEMENT

THIS SECURITIES EXCHANGE AGREEMENT is made and entered into as of February 14, 2023, by and among Sustainable Projects Group Inc., a corporation incorporated under the laws of the State of Nevada, U.S.A. ("Parent"), on the one hand, and Lithium Harvest ApS, a private limited liability company incorporated under the laws of Denmark (in Danish: *Anpartsselskab* or *ApS*) (the "Company"), and the shareholders of the Company whose names appear on the signature pages hereof (the "Shareholders") solely with respect to Sections 1, 4, 7, 8, 9 and 11 hereof, on the other hand.

RECITALS

A. The Board of Directors of the Parent and all of the shareholders of the Company have determined that Parent's acquisition of the Company is fair to and in the best interests of their respective entities and the shareholders thereof.

B. The acquisition shall be accomplished by all of the Shareholders contributing, selling and transferring to Parent all of their Shares (as defined below) pursuant to an offer by Parent to issue in exchange therefor newly-issued shares of common stock, par value \$0.0001 per share, of Parent ("Parent Common Stock"), upon the terms and subject to the conditions set forth herein (the "Exchange Offer").

C. The Board of Directors of the Parent and all of the shareholders of the Company have approved this Agreement and the transactions contemplated hereby, including the Exchange Offer.

D. To induce Parent and the Company to enter into this Agreement, the Shareholders have agreed to accept the Exchange Offer and become parties to this Agreement solely with respect to Sections 1, 4, 7, 8, 9 and 11 hereof.

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, the parties hereto agree as follows:

1. The Exchange Offer.

(a) Exchange. Subject to the terms and conditions of this Agreement, at the Closing, (i) the Shareholders shall contribute, transfer, assign and deliver to Parent, and Parent agrees to acquire from such Shareholders, all of the outstanding Shares owned by them as specifically set forth in Section 1.3(a), and (ii) solely in consideration and exchange therefor, Parent shall issue to the Shareholders an aggregate of 206,667,223 duly issued, fully paid and non-assessable shares of Parent Common Stock in accordance with the Exchange Ratio as provided for in Section 1.3(a) hereof.

(b) As a result of the Exchange, the Company shall become a wholly-owned subsidiary of Parent.

1.2 Articles of Incorporation, By-laws, Directors and Officers.

(a) The Articles of Incorporation of Parent, as in effect immediately prior to the Closing, attached as Exhibit A hereto, shall be the Articles of Incorporation of Parent from and after the Closing until further amended in accordance with applicable law.

(b) The By-laws of Parent, as in effect immediately prior to the Closing, attached as Exhibit B hereto, shall be the By-laws of Parent from and after the Closing until amended in accordance with applicable law, the Articles of Incorporation and such By-laws.

(c) Subject to the terms set forth in Exhibit C hereto, the directors and officers listed in Exhibit C shall be the directors and officers of Parent from and after the Closing, and each shall hold his or her respective office or offices thereafter until his or her successor shall have been duly elected and qualified in accordance with applicable law or as otherwise provided in the Articles of Incorporation or By-laws of Parent.

1.3 Manner and Basis of Exchange of Shares.

(a) At the Closing, the outstanding ordinary shares, nominal value DKK 1.00 per share, of the Company (the “Shares”) beneficially owned by the Shareholders, which Shares constitute all of the issued and outstanding capital stock of the Company, shall be contributed and transferred to Parent and Parent shall issue, and authorize its Transfer Agent to issue, the Parent Common Stock specified below to each Shareholder in accordance with the following exchange ratios (the “Exchange Ratios”):

<u>Shareholder</u>	<u>No. of Shares</u>	<u>No. of Shares of Parent Common Stock</u>	<u>Applicable Exchange Ratio</u>
Feno Holding ApS	22,375	92,483,587	4,133.34465945055 / 1
Sune Mathiesen Holding ApS	22,375	92,483,587	4,133.34465945055 / 1
AØNP14 ApS	5,250	21,700,059	4,133.34465945055 / 1
Total		206,667,233	

(b) No fractional shares of Parent Common Stock shall be issued in the Exchange. If the number of Shares a Shareholder holds immediately prior to the Closing multiplied by the applicable Exchange Ratio would result in the issuance of a fractional share of Parent Common Stock, that product will be rounded down to the nearest whole number of shares of Parent Common Stock if it is less than the fraction of one-half (.5) of one share of Parent Common Stock or rounded up to the nearest whole number of shares of Parent Common Stock if the product is equal to or greater than the fraction of one-half (.5) of one share of Parent Common Stock.

(c) Each Share held in the treasury of the Company immediately prior to the Closing shall be cancelled and cease to exist.

(d) After the Closing, there shall be no further registration of transfers of Shares on the stock transfer books of the Company that were outstanding immediately prior to the Closing.

1.4 Exchange of Certificates.

(a) At the Closing, Parent shall deliver to Transfer Agent a letter of instruction to prepare and deliver to the Transfer Agent, who shall act as exchange agent for the benefit of the Shareholders (the "Exchange Agent"), certificates representing the appropriate number of shares of Parent Common Stock issuable pursuant to Sections 1.1 and 1.3 hereof, in exchange for all outstanding Shares. The shares of Parent Common Stock evidenced by the certificates shall be registered in the names of the Shareholders by the Transfer Agent and shall be in the denominations for each of them set forth opposite their respective names in Section 1.3(a).

(b) Promptly after the Closing and upon receipt of an updated shareholders register and proof of registration in the Central Business Register (CVR Register) provided by the Company, Parent shall, in accordance with the instructions described in Section 1.4(a), cause Transfer Agent to issue to the record holder of the Shares a certificate or certificates registered in the name of each such Shareholder representing an aggregate of 206,667,233 shares of Parent Common Stock that they shall be entitled to receive as set forth in Section 1.3(a) hereof.

1.5 Parent Common Stock. Parent will cause the Parent Common Stock to be issued in exchange for the Shares at the Closing pursuant to Section 1.3(a) to be available for such purpose. Parent further covenants that immediately prior to the Closing there will be no more than 8,725,877 shares of Parent Common Stock issued and outstanding, not including the 71,797,703 shares of Parent Common Stock to be issued to Kestrel Flight Fund LLC, and that no other common or preferred stock or equity securities or any options, warrants, rights or other agreements or instruments convertible, exchangeable or exercisable into common or preferred stock or other equity securities shall be issued or outstanding, except as described herein.

2. Representations and Warranties of the Company.

The Company hereby represents and warrants to Parent as follows:

2.1 Organization, Standing, Subsidiaries, Etc.

(a) The Company is existing in good standing under the laws of Denmark, and has full corporate power and authority to carry on its business, to own or lease its properties and assets, to enter into this Agreement, and to carry out the terms hereof. A copy of the Articles of Association of the Company that has been delivered to Parent prior to the execution of this Agreement is true and complete and has not since been amended or repealed.

(b) The Company has no subsidiaries or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association or business.

2.2 Qualification. The Company is duly qualified to conduct business as a foreign corporation and is in good standing in each jurisdiction wherein the nature of its activities or its properties owned or leased makes such qualification necessary, except where the failure to be so qualified would not have a material adverse effect on the financial condition, business, or results of operations of the Company taken as a whole (the "Condition of the Company").

2.3 Capitalization of the Company. The authorized capital stock of the Company consists of 50,000 ordinary shares, nominal value DKK1,00 per share, of the Company. There are 50,000 ordinary shares of the Company issued and outstanding, and such Shares are duly authorized, validly issued, fully paid and nonassessable, and none of such Shares have been issued in violation of the preemptive rights of any person. The offer, issuance and sale of such Shares were accomplished in conformity with all other applicable securities laws. None of such Shares are subject to a right of withdrawal or a right of rescission under any applicable securities law. The Company has no outstanding options, rights or commitments to issue Shares or other Equity Securities of the Company, and there are no outstanding securities convertible or exercisable into or exchangeable for Shares or other Equity Securities of the Company. The Shares are the only outstanding Equity Securities of the Company as of the Closing.

2.4 Indebtedness. The Company has no Indebtedness for Borrowed Money, except as disclosed on the Balance Sheet.

2.5 Company Shareholders. Schedule 2.5 hereto contains a true and complete list of the names and registration numbers in the Danish Business Register of the record owners of all of the outstanding Shares of the Company, together with the number and percentage of securities held. To the knowledge of the Company, except as described in Schedule 2.5, there is no voting trust, agreement or arrangement among any of the beneficial holders of Shares affecting the nomination or election of directors or the exercise of the voting rights of Shares.

2.6 Corporate Acts and Proceedings. The execution, delivery and performance of this Agreement has been duly authorized by the management of the Company and approved by the unanimous vote of the Shareholders, and all of the corporate acts and other proceedings required for the due and valid authorization, execution, delivery and performance of this Agreement have been validly and appropriately taken or will have been so taken prior to the Closing. No holder of Shares has requested or perfected appraisal, dissenter's or other similar rights under Danish Law.

2.7 Compliance with Laws and Instruments. The business, products and operations of the Company have been conducted in compliance in all material respects with all applicable laws, rules and regulations, except where the failure to be in compliance would not have a material adverse effect on the Condition of the Company. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated by this Agreement: (a) will not require any authorization, consent or approval of, or filing or registration with, any court or governmental agency or instrumentality, except such as shall have been obtained prior to the Closing and such authorizations, consents, approvals, filings, or registrations which, in the aggregate, would not have a material adverse effect on the Condition of the Company, (b) will not cause the Company to violate or contravene (i) any provision of law, (ii) any rule or regulation of any agency or government, (iii) any order, judgment or decree of any court, or (iv) any provision of the Articles of Association of the Company, (c) will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under, any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other contract, agreement or instrument to which the Company is a party or by which the Company or any of its properties is bound or affected, except as would not have a material adverse effect on the Condition of the Company, and (d) will not result in the creation or imposition of any Lien upon any property or asset of the Company; except in the cases of clauses (b)(i)-(iii) and (c), where the violation, contravention, conflict, breach, default or failure to give notice would not have a material adverse effect on the Condition of the Company. The Company is not in violation of, or (with or without notice or lapse of time, or both) in default under, any term or provision of its Articles of Association or of any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or, except as would not materially and adversely affect the Condition of the Company, any other material agreement or instrument to which the Company is a party or by which the Company or any of its properties is bound or affected.

2.8 Binding Obligations. Assuming due authorization, execution and delivery by each other party hereto, this Agreement constitutes the legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

2.9 Brokers and Finders. No Person is entitled by reason of any act or omission of the Company to any broker's or finder's fees, commission or other similar compensation with respect to the execution and delivery of this Agreement, or with respect to the consummation of the transactions contemplated hereby. The Company indemnifies and holds Parent harmless from and against any and all loss, claim or liability arising out of any such claim from any other Person who claims they introduced the Company to, or assisted it with, the transactions contemplated herein.

2.10 Financial Statements. Attached hereto as Schedule 2.10 are (a) the Company's audited balance sheet (the "Balance Sheet") as of December 31, 2021 (the "Balance Sheet Date") and 2020, and the audited statements of operations, changes in equity and cash flows for the years ended December 31, 2021 and 2020, together with the related opinion of K.R. Margetson Ltd., independent registered public accountants, and (b) the Company's unaudited balance sheet and statement of operations as of and for the nine-month period ended September 30, 2022. Such financial statements (i) are in accordance with the books and records of the Company, (ii) present fairly in all material respects the financial condition of the Company at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified and (iii) have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject, in the case of unaudited financial information, to year-end adjustments and the absence of notes.

2.11 Absence of Undisclosed Liabilities. The Company has no material obligation or liability (whether accrued, absolute, contingent, liquidated or otherwise, whether due or to become due), arising out of any transaction entered into at or prior to the Closing, except (a) as disclosed in Schedule 2.12 hereto, (b) to the extent set forth on or reserved against in the Balance Sheet or the Notes to the Financial Statements, (c) current liabilities incurred and obligations under agreements entered into in the usual and ordinary course of business since the Balance Sheet Date, none of which (individually or in the aggregate) has had or will have a material adverse effect on the Condition of the Company, and (d) by the specific terms of any written agreement, document or arrangement identified in the Schedules hereto.

2.12 Changes. Since the Balance Sheet Date, except as expressly contemplated by this Agreement or as disclosed in Schedule 2.12 hereto, the Company has not (a) incurred any Indebtedness for Borrowed Money in an aggregate amount exceeding \$10,000, except for current obligations and liabilities incurred in the usual and ordinary course of business, (b) discharged or satisfied any Liens other than those securing, or paid any obligation or liability other than, current liabilities shown on the Balance Sheet and current liabilities incurred since the Balance Sheet Date, in each case in the usual and ordinary course of business, (c) mortgaged, pledged or subjected to Lien any of its assets, tangible or intangible, other than in the usual and ordinary course of business, (d) sold, transferred or leased any of its assets, except in the usual and ordinary course of business and except for any assets having an aggregate value of less than \$5,000, (e) except as disclosed in Schedule 2.23, entered into any interested party transactions, other than in the usual and ordinary course of business, (f) except as disclosed in Schedule 2.17, made or granted any material wage or salary increase or made any material increase in the amounts payable under any profit sharing, bonus, deferred compensation, severance pay, insurance, pension, retirement or other employee benefit plan, agreement or arrangement, other than in the ordinary course of business consistent with past practice, or entered into any employment agreement, except as disclosed in Schedule 2.14 and Schedule 5.6 in excess of \$50,000, (g) issued or sold any shares of its capital stock, bonds, notes, debentures or other securities or granted any options (including employee stock options), warrants or other rights with respect thereto, (h) declared or paid any dividends on or made any other distributions with respect to, or purchased or redeemed, any of its outstanding capital stock, (i) suffered or experienced any material adverse effect to the Condition of the Company, (j) made any material change in the accounting principles, methods or practices followed by it or depreciation or amortization policies or rates theretofore adopted except as required by GAAP or applicable law or as disclosed in the notes to its financial statements, (k) made any material amendment to or terminated any material contract, agreement or license to which it is a party, (l) paid, or made any accrual or arrangement for payment of, bonuses or special compensation of any kind or any severance or termination pay to any present or former officer, director, employee, shareholder or consultant, in any case in excess of \$20,000, (m) made or agreed to make any charitable contributions or incurred any non-business expenses in excess of \$5,000, or (n) entered into any agreement, or otherwise obligated itself, to do any of the foregoing.

2.13 Schedule of Assets and Contracts. Attached hereto as Schedules 2.13(a) through 2.13(d) are various schedules listing assets and contracts of the Company, as described herein.

(a) Schedule 2.13(a) contains a true and complete list of all real property leased by the Company, including the street address of each parcel of leased real property, and of all tangible personal property owned or leased by the Company having a cost or fair market value of greater than \$10,000. All the real property listed in Schedule 2.13(a) is leased by the Company under valid and enforceable leases having the rental terms, termination dates and renewal and purchase options described in Schedule 2.13(a); such leases are enforceable in accordance with their terms and to the Company's knowledge there is not, under any such lease, any existing default or event of default or event which with notice or lapse of time, or both, would constitute a default by the Company, and the Company has not received any written notice or claim of any such default except for such defaults that would not have a material adverse effect on the Condition of the Company. The Company does not own any real property.

(b) Except as expressly set forth in this Agreement, the Balance Sheet or the notes thereto, or as disclosed in Schedule 2.13(b) hereto, the Company is not a party to or otherwise barred by any written or oral (a) agreement with any labor union, (b) agreement for the purchase of fixed assets or for the purchase of materials, supplies or equipment, other than in the ordinary course of business, in excess of \$20,000, (c) agreement for the employment of any officer, individual employee or other Person on a full-time basis or any agreement with any Person for consulting services in excess of \$20,000, (d) bonus, pension, profit sharing, retirement, stock purchase, stock option, deferred compensation, medical, hospitalization or life insurance or similar plan, contract or understanding with respect to any or all of the employees of the Company or any other Person, (e) indenture, loan or credit agreement, note agreement, deed of trust, mortgage, security agreement, promissory note or other agreement or instrument relating to or evidencing Indebtedness for Borrowed Money or subjecting any asset or property of the Company to any Lien or evidencing any Indebtedness, in each case having an outstanding principal amount in excess of \$20,000, (f) guaranty of any Indebtedness having an outstanding principal amount in excess of \$20,000, (g) other than as set forth in Schedule 2.13(a) hereto, lease or agreement under which the Company is lessee of or holds or operates any property, real or personal, owned by any other Person under which payments to such Person exceed \$20,000 per year or with an unexpired term (including any period covered by an option to renew exercisable by any other party) of more than 180 days, (h) lease or agreement under which the Company is lessor or permits any Person to hold or operate any property, real or personal, owned or controlled by the Company, (i) agreement granting any preemptive right, right of first refusal or similar right to any Person, (j) agreement or arrangement with any Affiliate or any “associate” (as such term is defined in Rule 405 under the Securities Act) of the Company or any present or former officer, director or shareholder of the Company, (k) agreement obligating the Company to pay any royalty or similar charge for the use or exploitation of any tangible or intangible property, (l) covenant not to compete or other restriction on its ability to conduct a business or engage in any other activity, (m) distributor, dealer, manufacturer’s representative, sales agency, franchise or advertising contract or commitment, (n) agreement to register securities under U.S. securities law, (o) collective bargaining agreement, or (p) agreement or other commitment or arrangement with any Person continuing for a period of more than one year from the Closing Date which involves an aggregate expenditure or receipt by the Company in excess of \$20,000. Except as disclosed in Schedule 2.13(b), none of the agreements, contracts, leases, instruments or other documents or arrangements listed in Schedules 2.13(a) through 2.13(d) requires the consent of any of the parties thereto other than the Company to permit the contract, agreement, lease, instrument or other document or arrangement to remain effective following the consummation of the Exchange and the transactions contemplated hereby, except such consents which, in the aggregate, would not have a material adverse effect on the Condition of the Company.

(c) Schedule 2.13(c) contains a true and complete list and description of all insurance policies and insurance coverage with respect to the Company, its business, premises, properties, assets, employees and agents including, without limitation, fire and casualty insurance, property and liability insurance, product liability insurance, life insurance, medical and hospital insurance and workers’ compensation insurance; such list includes with respect to each policy (i) a general description of the insured loss coverage, (ii) the expiration date of coverage, (iii) the annual premium, and (iv) the dollar limitations of coverage and a general description of each deductible feature.

(d) Schedule 2.13(d) contains a true and complete list of all patents, patent applications, trade names, trademarks, trademark registrations and applications, copyrights, copyright registrations and applications, and grants of licenses, both domestic and foreign, presently owned, possessed, used or held by the Company; and, except as set forth in Schedule 2.16 or as would not have a material adverse effect on the Condition of the Company, the Company owns the entire right, title and interest in and to the same, free and clear of all Liens. Except as disclosed in Schedule 2.13(d), all patents, patent applications, trade names, trademarks, trademark registrations and applications, copyrights, copyright registrations and applications and grants of licenses set forth in Schedule 2.13(d) are subject to no pending or, to the Company's knowledge, threatened challenge.

(e) The Company has furnished to Parent true and complete copies of all agreements and other documents and a description of all applicable oral agreements disclosed or referred to in Schedule s 2.13(a) through 2.13(d), as well as any additional agreements or documents, requested by Parent. The Company has in all material respects performed all obligations required to be performed by it to date and is not in default in any respect under any of the contracts, agreements, leases, documents, commitments or other arrangements disclosed or referred to in Schedules 2.13(a) through 2.13(d), except for such defaults that would not have a material adverse effect on the Condition of the Company. To the knowledge of the Company, all parties having material contractual arrangements with the Company are in substantial compliance therewith and none are in material default thereunder. Except as set forth on Schedule 2.13(e), to the knowledge of the Company, the Company does not have outstanding any material power of attorney.

2.14 Employees. The Company is in compliance in all material respects with all laws relating to the employment of labor, except to the extent non-compliance would not result in a material adverse effect on the Condition of the Company, and in the past three years the Company has encountered no material labor union difficulties. Other than pursuant to ordinary arrangements of employment compensation, or as set forth on Schedule 2.14, the Company is not under any obligation or liability to any officer, director or employee of the Company.

2.15 Tax Returns and Audits. All required Tax Returns of the Company have been duly and timely filed, and all Taxes required to be paid with respect to the periods covered by such returns have been paid. The Company is not delinquent in the payment of any Tax. The Company has not had a Tax deficiency proposed or assessed against it and has not executed a waiver of any statute of limitations on the assessment or collection of any Tax. None of the Company's income tax returns or franchise tax returns has been audited by governmental authorities. The reserves for Taxes reflected on the Balance Sheet are and will be sufficient for the payment of all unpaid Taxes payable by the Company as of the Balance Sheet Date. Since the Balance Sheet Date, the Company has made adequate provisions on its books of account for all Taxes with respect to its business, properties and operations for such period. The Company has withheld or collected from each payment made to each of its employees the amount of all taxes required to be withheld or collected therefrom, and has paid the same to the proper Tax receiving officers or authorized depositories. There are no audits, actions, suits, proceedings, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns of the Company now pending, and the Company has not received any notice of any proposed audits, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns. The Company (a) is not a party to, is bound by or has any obligation under, any Tax sharing agreement, Tax indemnification agreement or similar contract or arrangement, whether written or unwritten (collectively, "Tax Sharing Agreements"), or (b) does not have any potential liability or obligation to any person as a result of, or pursuant to, any such Tax Sharing Agreements.

2.16 Patents and Other Intangible Assets. (a) The Company (i) owns or has the right to use, free and clear of all Liens, all patents, trademarks, service marks, trade names, copyrights, licenses and rights with respect to the foregoing used in or necessary for the conduct of its business as now conducted without infringing upon or otherwise acting adversely to the right or claimed right of any Person under or with respect to any of the foregoing and (ii) is not obligated or under any liability to make any payments by way of royalties, fees or otherwise to any owner or licensor of, or other claimant to, any patent, trademark, service mark, trade name, copyright or other intangible asset, with respect to the use thereof or in connection with the conduct of its business or otherwise.

(b) To the knowledge of the Company, the Company owns and has the unrestricted right to use all trade secrets, if any, including know-how, negative know-how, formulas, patterns, programs, devices, methods, techniques, inventions, designs, processes, computer programs and technical data and all information that derives independent economic value, actual or potential, from not being generally known or known by competitors (collectively, “Intellectual Property”) required for the development, operation and sale of all products and services sold by the Company, free and clear of any Lien; provided, however, the possibility exists that the other Persons, completely independent of the Company or its employees or agents, could have developed Intellectual Property similar or identical to that of the Company. The Company is not aware of any such development of substantially identical trade secrets or technical information by others.

2.17 Employee Benefit Plans; ERISA. Except as disclosed in Schedule 2.17 hereto, there are no “employee benefit plans” (within the meaning of Section 3(3) of the ERISA) nor any other employee benefit or fringe benefit arrangements, practices, contracts, policies or programs of every type other than programs merely involving the regular payment of wages, commissions, or bonuses established, maintained or contributed to by the Company, whether written or unwritten and whether or not funded. The plans listed in Schedule 2.17 hereto are hereinafter referred to as the “Employee Benefit Plans.”

(a) Copies of all current and prior material documents, including all amendments thereto, with respect to each Employee Benefit Plan have been made available to Parent or its advisors.

(b) To the knowledge of the Company, all Employee Benefit Plans are in material compliance with the applicable requirements of applicable law.

(c) There are no pending claims or lawsuits which have been asserted or instituted against any Employee Benefit Plan, the assets of any of the trusts or funds under the Employee Benefit Plans, the plan sponsor or the plan administrator of any of the Employee Benefit Plans or against any fiduciary of an Employee Benefit Plan with respect to the operation of such plan, nor does the Company have any knowledge of any incident, transaction, occurrence or circumstance which might reasonably be expected to form the basis of any such claim or lawsuit.

(d) There is no pending or, to the knowledge of the Company, contemplated investigation or pending or possible enforcement action by any government agency with respect to any Employee Benefit Plan and the Company has no knowledge of any incident, transaction, occurrence or circumstance which would trigger such an investigation or enforcement action.

(e) No actual or, to the knowledge of the Company, contingent liability exists with respect to the funding of any Employee Benefit Plan or for any other expense or obligation of any Employee Benefit Plan, except as disclosed on the financial statements of the Company or the Schedules to this Agreement.

(f) To the knowledge of the Company, no events have occurred or are expected to occur with respect to any Employee Benefit Plan that would cause a material change in the costs of providing benefits under such Employee Benefit Plan or would cause a material change in the cost of providing for other liabilities of such Employee Benefit Plan.

2.18 Title to Property and Encumbrances. The Company has good, valid and marketable title to all properties and assets used in the conduct of its business (except for property held under valid and subsisting leases which are in full force and effect and which are not in default) free of all Liens (except Permitted Liens and such ordinary and customary imperfections of title, restrictions and encumbrances as do not, in the aggregate, materially detract from the value of the property or assets or materially impair the use made thereof by the Company in its business. Without limiting the generality of the foregoing, the Company has good and valid title to all of its properties and assets reflected in the Balance Sheet, except for property disposed of in the usual and ordinary course of business since the Balance Sheet Date and for property held under valid and subsisting leases which are in full force and effect and which are not in default.

2.19 Condition of Properties. All facilities, machinery, equipment, fixtures and other properties owned, leased or used by the Company are in operating condition and repair, subject to ordinary wear and tear.

2.20 Insurance Coverage. There is in full force and effect one or more policies of insurance issued by insurers of recognized responsibility, insuring the Company and its properties, products and business against such losses and risks, and in such amounts, as are customary for corporations of established reputation engaged in the same or similar business and similarly situated. The Company has not been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will be unable to renew its existing insurance coverage as and when the same shall expire upon terms at least as favorable to those currently in effect, other than possible increases in premiums that do not result from any act or omission of the Company. No suit, proceeding or action or, to the knowledge of the Company, threat of suit, proceeding or action has been asserted or made against the Company within the last five years due to alleged bodily injury, disease, medical condition, death or property damage arising out of the function or malfunction of a product, procedure or service designed, manufactured, sold or distributed by the Company.

2.21 Litigation. There is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the knowledge of the Company, threatened against or affecting the Company or its properties, assets or business, and after reasonable investigation, the Company is not aware of any incident, transaction, occurrence or circumstance that would result in or form the basis for any such action, suit, arbitration or other proceeding. The Company is not in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority.

2.22 Licenses. The Company possesses from all appropriate governmental authorities all licenses, permits, authorizations, approvals, franchises and rights necessary for the Company to engage in the business currently conducted by it, all of which are in full force and effect.

2.23 Interested Party Transactions. Except as disclosed in Schedule 2.23 hereto, no officer, director or shareholder of the Company or any Affiliate or “associate” (as such term is defined in Rule 405 under the Securities Act) of any such Person or the Company has, either directly or indirectly, (a) an interest in any Person that (i) furnishes or sells services or products that are furnished or sold or are proposed to be furnished or sold by the Company or (ii) purchases from or sells or furnishes to the Company any goods or services, or (b) a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected.

2.24 Hazardous Waste. To the Company’s knowledge, there is no substance or material defined or designated as hazardous or toxic waste, material, substance or other similar term by an environmental statute, regulation or ordinance currently in effect located on the real property in which the Company has a leasehold or ownership interest in violation of applicable law relating to protection of health or the environment.

2.25 Customers, Suppliers and Independent Contractors. Since the Balance Sheet Date, the Company has not been notified in writing that any material customer, supplier or independent contractor of the Company intends to terminate or materially curtail its business relationship with the Company.

2.26 Foreign Corrupt Practices. Neither the Company nor any director, officer or, to the knowledge of the Company, agent, employee or other Person associated with or acting on behalf of the Company, has used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payments to any government officials or employees from corporate funds; established or maintained any unlawful or unrecorded fund of corporate monies or other assets; made any false or fictitious entries on the books of record of any such corporations; or made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any government officials or employees.

2.27 Obligations to or by Shareholders. Except as disclosed in Schedule 2.27, the Company has no liability or obligation or commitment to any Shareholder or any Affiliate or “associate” (as such term is defined in Rule 405 under the Securities Act) of any Shareholder, nor does any Shareholder or any such Affiliate or associate have any liability, obligation or commitment to the Company.

2.28 No Other Representations and Warranties. Except for the representations and warranties contained in this Section 2 (including the related portions of the Schedules), neither the Company nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to Parent and its representatives or as to the future revenue, profitability or success of the Company, or any representation or warranty arising from statute or otherwise in law.

3. Representations and Warranties of Parent. Parent represents and warrants to the Company as follows:

3.1 Organization and Standing. Parent is a corporation duly organized and existing in good standing under the laws of the State of Nevada, U.S.A. Parent has heretofore delivered to the Company complete and correct copies of its Articles of Incorporation and By-laws as now in effect. Parent has full corporate power and authority to carry on its business as it is now being conducted and as now proposed to be conducted and to own or lease its properties and assets. Except as disclosed in Schedule 3.1, Parent does not have any subsidiaries or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association or business.

3.2 Corporate Authority. Parent has full corporate power and authority to enter into this Agreement and the other agreements to be made pursuant thereto, and to carry out the transactions contemplated hereby and thereby. All corporate acts and proceedings required for the authorization, execution, delivery and performance of this Agreement and such other agreements and documents by Parent have been duly and validly taken or will have been so taken prior to the Closing. This Agreement constitutes a legal, valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors’ rights generally and by general principles of equity.

3.3 Brokers and Finders. No person, firm, corporation or other entity is entitled by reason of any act or omission of Parent to any broker’s or finder’s fees, commission or other similar compensation with respect to the execution and delivery of this Agreement, or with respect to the consummation of the transactions contemplated hereby, except as disclosed in Schedule 3.3 hereto. Parent indemnifies and holds the Company harmless from and against any and all loss, claim or liability arising out of any such claim from any other Person who claims they introduced Parent to, or assisted them with the transactions contemplated herein.

3.4 Capitalization of Parent. The authorized capital stock of Parent consists of 500,000,000 shares of Parent Common Stock, of which not more than 8,725,877 shares will be, prior to the Closing, issued and outstanding, before taking into consideration the issuance of Parent Common Stock to Kestrel Flight Fund LLC. Parent has no outstanding options, rights or commitments to issue shares of Parent Common Stock or any other Equity Security of Parent, and there are no outstanding securities convertible or exercisable into or exchangeable for shares of Parent Common Stock or any other Equity Security of Parent. There is no voting trust, agreement or arrangement among any of the beneficial holders of Parent Common Stock affecting the nomination or election of directors or the exercise of the voting rights of Parent Common Stock. All outstanding shares of the capital stock of Parent are validly issued and outstanding, fully paid and nonassessable, and none of such shares have been issued in violation of the preemptive rights of any person.

3.5 Validity of Shares. The 206,667,233 shares of Parent Common Stock to be issued at the Closing pursuant to Section 1.3(a) hereof, when issued and delivered in accordance with the terms hereof, shall be duly and validly issued, fully paid and nonassessable. Based in part on the representations and warranties of the Shareholders in Section 4 hereof and assuming the accuracy thereof, the issuance of the Parent Common Stock pursuant to Section 1.3(a) will be (a) exempt from the registration requirements of the Securities Act and from the qualification or registration requirements of any applicable state blue sky or securities laws and (b) accomplished in conformity with all other applicable securities laws.

3.6 SEC Reporting and Compliance. (a) Parent has filed with the Commission all registration statements, proxy statements, information statements and reports required to be filed pursuant to the Exchange Act. Parent has not filed with the Commission a certificate on Form 15 pursuant to Rule 12h-3 of the Exchange Act.

(b) Parent has delivered to the Company true and complete copies of the registration statements, information statements and other reports (collectively, the “Parent SEC Documents”) filed by Parent with the Commission. The Parent SEC Documents, as of their respective dates, complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder applicable to the Parent SEC Documents, and none of the Parent SEC Documents, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained therein not misleading.

(c) Except as set forth on Schedule 3.7, Parent has not filed, and nothing has occurred with respect to which Parent would be required to file, any report on Form 8-K since September 30, 2022. Prior to and until the Closing, Parent will provide to the Company copies of any and all amendments or supplements to the Parent SEC Documents filed with the Commission since September 30, 2022, and all subsequent registration statements and reports filed by Parent subsequent to the filing of the Parent SEC Documents with the Commission and any and all subsequent information statements, proxy statements, reports or notices filed by Parent with the Commission or delivered to the stockholders of Parent.

(d) Parent is not an investment company within the meaning of Section 3 of the Investment Company Act.

(e) The shares of Parent Common Stock are quoted on the Pink Open Market (Current Information), operated by OTC Market Group Inc., under the symbol “SPGX,” and Parent is in compliance in all material respects with all rules and regulations of the OTC Markets Group Inc. applicable to it and the Parent Common Stock.

(f) Between the date hereof and the Closing Date, Parent shall continue to satisfy the filing requirements of the Exchange Act and all other requirements of applicable securities laws and the OTC Markets Group Inc.

(g) To the knowledge of Parent, Parent has otherwise complied with the Securities Act, Exchange Act and all other applicable federal and state securities laws.

3.7 Financial Statements. The balance sheets and statements of operations and comprehensive loss, stockholders’ equity (deficit) and cash flows contained in the Parent SEC Documents (i) have been prepared in accordance with GAAP applied on a basis consistent with prior periods (and, in the case of unaudited financial information, on a basis consistent with year-end audits), (ii) are in accordance with the books and records of Parent, and (iii) present fairly in all material respects the financial condition of Parent at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified. The financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2021, are as audited by, and include the related opinions of, K.R. Margetson Ltd., Parent’s independent registered public accounting firm. No other information provided by or on behalf of Parent to the Company which is not included in the Parent SEC Documents, including, without limitation, information referred to in Section 3.7 of this Agreement, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made.

3.8 Governmental Consents. All material consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with any federal or state governmental authority on the part of Parent required in connection with the consummation of the Exchange shall have been obtained prior to, and be effective as of, the Closing.

3.9 Compliance with Laws and Other Instruments. The execution, delivery and performance by Parent of this Agreement and the other agreements to be made by Parent pursuant to or in connection with this Agreement and the consummation by Parent of the transactions contemplated by this Agreement will not cause Parent to violate or contravene (i) any provision of law, (ii) any rule or regulation of any agency or government, (iii) any order, judgment or decree of any court, or (v) any provision of its Articles of Incorporation or By-laws as amended and in effect on and as of the Closing Date and will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under any material indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or contract to which Parent is a party or by which Parent or any of its properties is bound.

3.10 No General Solicitation. In issuing Parent Common Stock in the Exchange hereunder, neither Parent nor anyone acting on its behalf has offered to sell the Parent Common Stock by any form of general solicitation or advertising.

3.11 Litigation. Except as disclosed in the Parent SEC Documents or Schedule 3.11 hereto, there is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the knowledge of Parent, threatened against or affecting Parent or its properties, assets or business, and after reasonable investigation, Parent is not aware of any incident, transaction, occurrence or circumstance that might reasonably be expected to result in or form the basis for any such action, suit, arbitration or other proceeding. Parent is not in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority.

3.12 Foreign Corrupt Practices. Neither Parent nor any director, officer, agent, employee or other person acting on behalf of Parent has, in the course of its actions for, or on behalf of, Parent (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

4. Representations, Warranties and Covenants of the Shareholders. Each of the Shareholders represents and warrant to, and covenants with, Parent, as to himself, herself or itself only, as follows:

4.1 Acts and Proceedings. Such Shareholder has full right, power and authority to enter into, deliver and perform this Agreement and all acts and proceedings required for the authorization, execution and delivery of this Agreement and the performance of this Agreement by such Shareholder have been lawfully and validly taken.

4.2 Compliance with Laws and Instruments. The execution, delivery and performance by such Shareholder of this Agreement and each of the other documents contemplated hereby and the consummation by such Shareholder of the transactions contemplated hereby (a) will not cause such Shareholder to violate or contravene (i) any provision of law, (ii) any rule or regulation of any agency or government or (iii) any order, judgment or decree of any court and (b) will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under, any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or instrument to which such Shareholder is bound or affected except where the violation, contravention, conflict or default would not materially adversely affect the ability of a Shareholder to perform its obligations under this Agreement.

4.3 Binding Obligation. Assuming due authorization, execution and delivery by each other party hereto, this Agreement and each of the other agreements and documents being entered into by such Shareholder in connection herewith constitutes the legal, valid and binding obligation of such Shareholder and is enforceable against such Shareholder in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

4.4 Title to Shares. Such Shareholder has good, valid and marketable title to all Shares indicated in Section 1.3(a) hereto as being owned by such Shareholder, free and clear of all Liens. To the knowledge of such Shareholder, there is no voting trust, agreement or arrangement among any of the beneficial holders of Shares affecting the exercise of the voting rights of such units, and such Shareholder is not a party to or bound or affected by any such voting trust, agreement or arrangement.

4.5 Information. Each Shareholder has had an opportunity to ask and receive answers to any questions he, she or it may have had concerning the terms and conditions of the Exchange and the Parent Common Stock to be issued therein and has obtained any additional information that he or she has requested.

4.6 Resale of Stock. Each Shareholder is acquiring Parent Common Stock to be purchased for himself, herself or itself from Parent for investment, and not with a view to selling or otherwise distributing any of said Parent Common Stock in violation of the Securities Act or the securities laws of any state; provided, however, that the provisions of this paragraph shall not prejudice such Shareholder's right at all times to sell or otherwise dispose of all or any of the Parent Common Stock so acquired by such Shareholder pursuant to an effective registration statement under the Securities Act, or under an exemption from such registration available under the Securities Act.

5. Additional Agreements.

5.1 Access and Information. The Company and Parent shall each afford to the other and to the other's accountants, counsel and other representatives full access, during normal business hours throughout the period prior to the Closing, and subsequent to the Closing until all pre-Closing filing requirements are met, solely for the purposes of filing any documents required to be filed with the Commission, to all of its properties, books, contracts, commitments and records (including but not limited to Tax Returns) and during such period, each shall furnish promptly to the other all information concerning its business, properties and personnel as such other party may reasonably request, provided that no investigation pursuant to this Section 5.1 shall affect any representations or warranties made herein. Each party shall hold, and shall cause its employees and agents to hold, in strict confidence, all such information (other than such information which: (i) is already in such party's possession; (ii) becomes generally available to the public other than as a result of a disclosure by such party or its directors, officers, managers, employees, agents or advisors; or (iii) becomes available to such party on a non-confidential basis from a source other than a party hereto or its advisors provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to a party hereto or another party until such time as such information is otherwise publicly available; provided, however, that (A) any such information may be disclosed to such party's directors, officers, employees and representatives of such party's advisors who need to know such information for the purpose of evaluating the transactions contemplated hereby (it being understood that such directors, officers, employees and representatives shall be informed by such party of the confidential nature of such information), (B) any disclosure of such information may be made as to which the party hereto furnishing such information has consented in writing, and (C) any such information may be disclosed pursuant to a judicial, administrative or governmental order or request; provided, however, that the requested party will promptly so notify the other party so that the other party may seek a protective order or appropriate remedy and/or waive compliance with this Agreement and if such protective order or other remedy is not obtained or the other party waives compliance with this provision, the requested party will furnish only that portion of such information which is legally required and will exercise its best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the information furnished). If this Agreement is terminated, each party will deliver to the other all documents and other materials (including copies) obtained by such party or on its behalf from the other party as a result of this Agreement or in connection herewith, whether so obtained before or after the execution hereof.

5.2 Commercially Reasonable Efforts. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. In order to obtain any necessary governmental or regulatory action or non-action, waiver, consent, extension or approval, each of Parent and the Company agrees to take all reasonable actions and to enter into all reasonable agreements as may be necessary to obtain timely governmental or regulatory approvals and to take such further action in connection therewith as may be necessary. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and/or directors of Parent and the Company shall take or cause to be taken all such necessary action.

5.3 Publicity. No party shall issue any press release or public announcement pertaining to the Exchange that has not been agreed upon in advance by Parent and the Company, except as Parent reasonably determines to be necessary in order to comply with the rules of the Commission or of the principal trading exchange or market for Parent Common Stock and after reasonable advance notice to the Company.

5.4 Appointment of Parent Directors. After the Closing, Parent plans to increase the size of the Board of Directors of Parent to five directors and cause the existing director of Parent to re-constitute the Board of Directors to include up to four designees of the Company, and up to one designee of Kestrel Flight Fund LLC who shall be reasonably acceptable to the Company. Each of Parent's independent directors, whether a designee of the Company or Kestrel Flight Fund LLC, shall be compensated on the same basis, whether through stock grants issued under the planned Incentive Compensation Plan described below and/or cash fees. Non-independent directors shall be compensated on the same basis, whether through stock grants issued under the planned Incentive Compensation Plan described below and/or cash fees.

5.5 Parent Name Change and Symbol Change. After the Closing, Parent shall take all required legal actions to change its corporate name to "Lithium Harvest, Inc." by means of an amendment to its Articles of Incorporation, and obtain a new trading symbol on a market of the OTC Markets Group Inc. reflecting its name change.

5.6 2023 Incentive Compensation Plan. After the Closing, Parent shall establish a new Incentive Compensation Plan (the "Incentive Plan"). The Incentive Plan will be used for attracting and retaining employees, management, directors and outside consultants and shall be granted from time to time under the guidance and approval of Parent's Compensation Committee, and in accordance with such plan.

5.7 Employment Agreements. At the Closing, each of Sune Mathiesen and Paw Juul will enter into an Employment Agreement with Parent to serve as the President, Chief Executive Officer and Chairman and the Chief Technology Officer, respectively, of Parent for three years following the Closing Date, substantially in the forms attached as Exhibits D-1 and D-2 to this Agreement. Stefan Muehlbauer will enter into an Employment Agreement at the Closing with Parent to continue serving as the Chief Financial Officer of Parent, substantially in the form attached as Exhibit D-3 to this Agreement.

6. Closing Deliverables.

6.1 Company Closing Deliverables. At the Closing, the Company shall deliver or cause to be delivered to Parent the following:

(a) A certificate of incumbency executed by an officer of the Company certifying the names, titles and signatures of the officers authorized to execute any documents referred to in this Agreement and further certifying that the Articles of Association of the Company delivered to Parent at the time of the execution of this Agreement have been validly adopted and have not been amended or modified.

(b) A certificate, dated the Closing Date, executed by an officer of the Company, certifying that: (i) all consents, authorizations, orders and approvals of, and filings and registrations with, any court, governmental body or instrumentality that are required for the execution and delivery of this Agreement and the consummation of the Exchange shall have been duly made or obtained, and all material consents by third parties that are required for the Exchange have been obtained; and (ii) no action or proceeding before any court, governmental body or agency has been threatened, asserted or instituted to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the carrying out of the transactions contemplated by this Agreement.

(c) Evidence as of a recent date of the good standing and corporate existence of the Company issued by the Danish Business Authority.

(d) Duly executed counterparts of the employment agreements of Sune Mathiesen and Paw Juul described in Section 5.7.

(e) Such additional supporting documentation and other information with respect to the transactions contemplated hereby as Parent or its counsel may reasonably request.

6.2 Parent Closing Deliverables. At the Closing, Parent shall deliver or cause to be delivered to the Company or the Shareholders, as applicable, the following:

(a) Copies of resolutions of Parent's board of directors, certified by its Secretary, authorizing and approving, to the extent applicable, the execution, delivery and performance of this Agreement and all other documents and instruments to be delivered by it pursuant hereto, including the election of Sune Mathiesen and Paw Juul to the Parent's Board of Directors.

(b) A certificate of incumbency executed by the Secretary of Parent certifying the names, titles and signatures of the officers authorized to execute the documents referred to in paragraph (1) above and further certifying that the Articles of Incorporation and By-laws of Parent appended thereto have not been amended or modified.

(c) A certificate, dated the Closing Date, executed by the Secretary of Parent, certifying that: (i) all consents, authorizations, orders and approvals of, and filings and registrations with, any court, governmental body or instrumentality that are required for the execution and delivery of this Agreement and the consummation of the Exchange shall have been duly made or obtained, and all material consents by third parties required for the Exchange have been obtained; and (ii) no action or proceeding before any court, governmental body or agency has been threatened, asserted or instituted to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the carrying out of the transactions contemplated by this Agreement.

(d) A certificate of Transfer Agent certifying, as of the business day prior to the Closing Date, a true and complete list of the names and addresses of the record owners of all of the outstanding shares of Parent Common Stock, together with the number of shares of Parent Common Stock held by each record owner.

(e) An agreement in writing from K.R. Margetson Ltd., in form and substance reasonably satisfactory to the Company, to deliver copies of the audit opinions with respect to any and all financial statements of Parent that had been audited by such firm and any consents that may be required by Parent to be included in such financial statements in registration statements to be filed in the future by Parent.

(f) Subject to the terms set forth in Exhibit C hereto, the executed resignation of Stefan Muehlbauer as a director and as President, Chief Executive Officer, Chief Compliance Officer, Treasurer and Corporate Secretary of Parent, with the resignation to take effect at the Closing.

(g) Evidence as of a recent date of the good standing and corporate existence of Parent issued by the Secretary of State of the State of Nevada and evidence that Parent is qualified to transact business as a foreign corporation and is in good standing in each state of the United States and in each other jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary.

(h) Duly executed counterparts of the employment agreements described in Section 5.7.

(i) Such additional supporting documentation and other information with respect to the transactions contemplated hereby as the Company may reasonably request.

7. Non-Survival of Representations and Warranties. The representations and warranties of the parties made in Sections 2, 3 and 4 of this Agreement (including the Schedules to the Agreement which are hereby incorporated by reference) shall not survive beyond the Closing. This Section 7 shall not limit any claim for intentional fraud based on such representations and warranties or any covenant or agreement of the parties which by its terms contemplates performance after the Closing.

8. Amendment of Agreement. This Agreement may be amended or modified at any time in all respects by an instrument in writing executed by Parent and the Company, provided that any amendment that materially and adversely affects the rights or changes the obligations of any Shareholder (as opposed to the Company) shall require the consent of any such Shareholder.

9. Definitions. Unless the context otherwise requires, the terms defined in this Section 9 shall have the meanings herein specified for all purposes of this Agreement, applicable to both the singular and plural forms of any of the terms herein defined.

“Affiliate” shall mean any Person that directly or indirectly controls, is controlled by, or is under common control with, the indicated Person.

“Agreement” shall have the meaning assigned to such term in the Preamble.

“Balance Sheet” and “Balance Sheet Date” shall have the meanings assigned to such terms in Section 2.10 hereof.

“Closing” and “Closing Date” shall have the meanings assigned to such terms in Section 10.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Commission” shall mean the U.S. Securities and Exchange Commission.

“Company” shall have the meaning assigned to such term in the Preamble.

“Condition of the Company” shall have the meaning assigned to such term in Section 2.2.

“Danish Law” shall mean the Danish Companies Act.

“Default” shall mean a default or failure in the due observance or performance of any covenant, condition or agreement on the part of the Company to be observed or performed under the terms of this Agreement, if such default or failure in performance shall remain unremedied for five days.

“Employee Benefit Plans” shall have the meaning assigned to such term in Section 2.17.

“Equity Security” shall mean any stock or similar security of an issuer or any security (whether stock or Indebtedness for Borrowed Money) convertible, with or without consideration, into any stock or similar equity security, or any security (whether stock or Indebtedness for Borrowed Money) carrying any warrant or right to subscribe to or purchase any stock or similar security, or any such warrant or right.

“ERISA” shall mean the Employee Retirement Income Securities Act of 1974, as amended.

“Event of Default” shall mean (a) the failure of the Company to pay any Indebtedness for Borrowed Money, or any interest or premium thereon, within five days after the same shall become due, whether such Indebtedness shall become due by scheduled maturity, by required prepayment, by acceleration, by demand or otherwise, (b) an event of default under any agreement or instrument evidencing or securing or relating to any such Indebtedness, or (c) the failure of the Company to perform or observe any material term, covenant, agreement or condition on its part to be performed or observed under any agreement or instrument evidencing or securing or relating to any such Indebtedness when such term, covenant or agreement is required to be performed or observed.

“Exchange” shall have the meaning assigned to such term in the Recitals.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Exchange Agent” shall have the meaning assigned to such term in Section 1.4(a).

“Exchange Offer” shall have the meaning assigned to such term in the Recitals.

“Exchange Ratios” shall have the meaning assigned to such term in Section 1.3(a).

“GAAP” shall mean generally accepted accounting principles in the United States, as in effect from time to time.

“Incentive Plan” shall have the meaning assigned to such term in Section 5.7.

“Indebtedness” shall mean any obligation of the Company which under GAAP is required to be shown on the balance sheet of the Company as a liability. Any obligation secured by a Lien on, or payable out of the proceeds of production from, property of the Company shall be deemed to be Indebtedness even though such obligation is not assumed by the Company.

“Indebtedness for Borrowed Money” shall mean (a) all Indebtedness in respect of money borrowed including, without limitation, Indebtedness which represents the unpaid amount of the purchase price of any property and is incurred in lieu of borrowing money or using available funds to pay such amounts and not constituting an account payable or expense accrual incurred or assumed in the ordinary course of business of the Company, (b) all Indebtedness evidenced by a promissory note, bond or similar written obligation to pay money, or (c) all such Indebtedness guaranteed by the Company or for which the Company is otherwise contingently liable.

“Intellectual Property” shall have the meaning assigned to such term in Section 2.16(b).

“Investment Company Act” shall mean the Investment Company Act of 1940, as amended.

“knowledge” and “know” means, when referring to any Person, the actual knowledge of such Person. An entity will be deemed to have “knowledge” of a particular fact or other matter if any individual who is serving as an executive officer of such entity has actual “knowledge” of such fact or other matter.

“Lien” shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction and including any lien or charge arising by statute or other law.

“Nevada Law” shall mean the Nevada Revised Statutes.

“Parent” shall have the meaning assigned to such term in the Preamble.

“Parent Common Stock” shall have the meaning assigned to such term in the Recitals.

“Parent SEC Documents” shall have the meaning assigned to such term in Section 3.6(b).

“Permitted Liens” shall mean (a) Liens for taxes and assessments or governmental charges or levies not at the time due or in respect of which the validity thereof shall currently be contested in good faith by appropriate proceedings; (b) Liens in respect of pledges or deposits under workmen’s compensation laws or similar legislation, carriers’, warehousemen’s, mechanics’, laborers’ and materialmens’ and similar Liens, if the obligations secured by such Liens are not then delinquent or are being contested in good faith by appropriate proceedings; and (c) Liens incidental to the conduct of the business of the Company that were not incurred in connection with the borrowing of money or the obtaining of advances or credits and which do not in the aggregate materially detract from the value of its property or materially impair the use made thereof by the Company in its business.

“Person” shall include all natural persons, corporations, business trusts, associations, limited liability companies, partnerships, joint ventures and other entities and governments and agencies and political subdivisions.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Shareholders” shall have the meaning assigned to such term in the Preamble.

“Shares” shall have the meaning assigned to such term in Section 1.3(a).

“Tax” or “Taxes” shall mean (a) any and all taxes, assessments, customs, duties, levies, fees, tariffs, imposts, deficiencies and other governmental charges of any kind whatsoever (including, but not limited to, taxes on or with respect to net or gross income, franchise, profits, gross receipts, capital, sales, use, ad valorem, value added, transfer, real property transfer, transfer gains, transfer taxes, inventory, capital stock, license, payroll, employment, social security, unemployment, severance, occupation, real or personal property, estimated taxes, rent, excise, occupancy, recordation, bulk transfer, intangibles, alternative minimum, doing business, withholding and stamp), together with any interest thereon, penalties, fines, damages costs, fees, additions to tax or additional amounts with respect thereto, imposed by the United States (federal, state or local) or other applicable jurisdiction; (b) any liability for the payment of any amounts described in clause (a) as a result of being a member of an affiliated, consolidated, combined, unitary or similar group or as a result of transferor or successor liability, including, without limitation, by reason of Code section 1.1502-6; and (c) any liability for the payments of any amounts as a result of being a party to any Tax Sharing Agreement or as a result of any express or implied obligation to indemnify any other Person with respect to the payment of any amounts of the type described in clause (a) or (b).

If to the Company: Lithium Harvest ApS
Tankedraget 7
Aalborg 9000
Denmark
Attention: Mr. Sune Mathiesen, Chairman and Chief
Executive Officer

With a copy to: Faegre Drinker Biddle & Reath LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402
U.S.A.
Attention: Ben A. Stacke, Esq.

Notices shall be deemed received at the earlier of actual receipt or three business days following mailing. Counsel for a party (or any authorized representative) shall have authority to accept delivery of any notice on behalf of such party.

11.2 Entire Agreement. This Agreement, including the schedules and exhibits attached hereto and other documents referred to herein, contains the entire understanding of the parties hereto with respect to the subject matter hereof. This Agreement supersedes all prior agreements and undertakings between the parties with respect to such subject matter.

11.3 Expenses. Parent and the Company, as a combined entity following the Closing, shall bear and pay all legal, accounting and other expenses incurred by them in connection with the transactions contemplated by this Agreement.

11.4 Time. Time is of the essence in the performance of the parties' respective obligations herein contained.

11.5 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the Company shall not directly or indirectly transfer or assign any of its rights hereunder in whole or in part without the written consent of Parent, which shall not be unreasonably withheld, and any such transfer or assignment without said consent shall be void.

11.7 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and benefit of the parties hereto, their successors, assigns and heirs, and no other Person shall have any right or action under this Agreement.

11.8 Counterparts. This Agreement may be executed in one or more counterparts, with the same effect as if all parties had signed the same document. Each such counterpart shall be an original, but all such counterparts together shall constitute a single agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

11.9 Recitals, Schedules and Exhibits. The Recitals, Schedules and Exhibits to this Agreement are incorporated herein and, by this reference, made a part hereof as if fully set forth herein.

11.10 Section Headings and Gender. The Section headings used herein are inserted for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

11.11 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, except to the extent that Danish Law governs the requirements for the adoption, approval and execution of this Agreement. This Agreement and the transactions contemplated hereby shall be subject to the exclusive jurisdiction of the courts of the State of Delaware and of the United States of America located in the District of Delaware. The parties to this Agreement irrevocably and expressly agree to submit to the jurisdiction of the courts of the State of Delaware and of the United States of America located in the District of Delaware for the purpose of resolving any disputes among the parties relating to this Agreement or the transactions contemplated hereby. The parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, or any judgment entered by any court in prospect hereof brought in the State of Delaware, and further irrevocably waive any claim that any suit, action or proceeding brought in the State of Delaware has been brought in an inconvenient forum. With respect to any action before the above courts, the parties hereto agree to service of process by certified or registered United States mail, postage prepaid, addressed to the party in question.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be binding and effective as of the day and year first above written.

PARENT:

SUSTAINABLE PROJECTS GROUP INC.

By: /s/ Stefan Muehlbauer
Stefan Muehlbauer
President and Chief Executive Officer

THE COMPANY:

LITHIUM HARVEST APS

By: /s/ Sune Mathiesen
Sune Mathiesen
Chairman and Chief Executive Officer

The undersigned Shareholders execute and deliver this Agreement for the sole purpose of agreeing to the terms of Section 1 (The Exchange Offer), Section 4 (Additional Representations, Warranties and Covenants of the Shareholders), Section 7 (Non-Survival of Representations and Warranties), Section 8 (Amendment of Agreement), Section 9 (Definitions), and Section 11 (Miscellaneous).

FENO HOLDING APS

By: /s/ Paw Juul
Name: Paw Juul
Title: Managing Director

SUNE MATHIESEN HOLDING APS

By: /s/ Sune Mathiesen
Name: Sune Mathiesen
Title: Managing Director

AØNP14 APS, ALDO PETERSEN

By: /s/ Aldo Petersen
Name: Aldo Petersen
Title: Managing Director

[Signature Page to Securities Exchange Agreement]

ARTICLES OF INCORPORATION OF PARENT

[Intentionally Omitted.]

BY-LAWS OF PARENT

[Intentionally Omitted.]

[Intentionally Omitted.]

FORM OF EMPLOYMENT AGREEMENT – SUNE MATHIESEN

[Intentionally Omitted.]

FORM OF EMPLOYMENT AGREEMENT – PAW JUUL

[Intentionally Omitted.]

FORM OF EMPLOYMENT AGREEMENT – STEFAN MUEHLBAUER

[Intentionally Omitted.]

EXECUTIVE SERVICE AGREEMENT

PARTIES

LITHIUM HARVEST APS

Tankedraget 7
DK-9000 Aalborg
(the "Company")

AND

SUNE MATHIESEN

[**]
[**]
(the "CEO")

have today entered into the following Executive Service Agreement (the "Agreement")

1. POSITION

- 1.1. The CEO will service as President and Chief Executive Officer of Sustainable Projects Group Inc. and Lithium Harvest ApS with effect from January 14, 2023.

2. DUTIES AND RESPONSIBILITIES

- 2.1. The CEO's duties and responsibilities comprise:

- Statutory rules and liability, reporting to the Board of the Company or its designee (the "Board") to perform the duties as the CEO. The CEO is responsible for Company's complete operations and duties as assigned by the Board.
- The Executive shall manage the Company's Danish and U.S. operations.
- Such other duties and responsibilities as assigned by the Company from time to time.

- 2.2. The CEO must expect travel activity.

3. OTHER OFFICES HELD DURING THE EMPLOYMENT

- 3.1. The CEO may not without having obtained the written consent of the Board in each individual case be an active or passive participant in any kind of position, employment or office – whether paid or unpaid.

- 3.2. The CEO may not without having obtained the consent of the Board be a shareholder, stakeholder or in any other way participate financially in any other undertaking. The CEO is, however, entitled to make investments in assets which are usually subject to such investment of funds.

- 3.3. The CEO must, in compliance with any instructions given by the Board, join the Board of Directors of the Company's subsidiaries/consolidated companies.

The CEO will not be entitled to any separate cash compensation for such Board positions, but will receive stock grants (if applicable) in line with independent Directors.

4. PLACE OF WORK

- 4.1. The place of work is Tankedraget 7, DK-9000 Aalborg.

- 4.2. The CEO must expect that some of the duties entailed in his position are to be performed at the Company's other domiciles.

5. SALARY AND PENSION

- 5.1. The CEO's annual salary is DKK 2,200,000 (approximately \$300,000) payable monthly in instalments of 1/12 on the last banking day of the month. Each year in December, the first time in 2023, the annual salary will be reviewed by the Board and may or may not be adjusted.

- 5.2. The Company pays pension contributions into a pension scheme chosen by the CEO. The Company's pension contribution amounts to 10% of the annual base salary, see the section above. The pension contribution is payable monthly in instalments of 1/12 on the last banking day of the month.

6. BONUS

- 6.1. Depending on the achievement of certain targets the CEO is eligible to receive an annual bonus, which is earned and paid in accordance with a separate bonus agreement entered into by the Company and the CEO in connection with the budget planning for the financial year. The bonus agreement will allow the CEO to obtain up to 150% of the current annual salary.
- 6.2. The CEO will be comprised by an individually agreed stock grant agreement, which will allow the CEO to obtain up to 100% of the current annual salary.

7. COMPANY CAR

- 7.1. The company provides a car to the CEO and will pay for all expenses related to the company car. The tax consequences for the CEO of the private disposal facilities listed above are treated by the Company according to applicable law.

8. OTHER EMPLOYEE BENEFITS

- 8.1. The Company will, according to agreement with the CEO, make the following

- (a) mobile phone
- (b) computer
- (c) internet connection at the CEO's home address
- (d) relevant trade magazines

freely available to the CEO and will pay all reasonable and usual costs incidental thereto.

- 8.2. At the Company's request, and without any compensation being offered in this respect, the CEO must in the event that he is released from his duties immediately or at a time to be determined by the Company return all employee benefits, see above.

9. INSURANCE

- 9.1. In addition to compulsory insurance, the CEO is comprised by the following:

- (a) Preventive health plan or health insurance

- 9.2. A detailed description of the scheme is available from the Company's employee handbook. Any tax consequences in this respect are irrelevant to the Company.

10. TRAVEL AND ENTERTAINMENT EXPENSES

- 10.1. The Company will make a company credit card available to the CEO for payment of the CEO's usual and reasonable travel and entertainment expenses incurred while in the service of the Company. The CEO shall regularly submit the required documentation of expenses incurred.

11. EDUCATION AND TRAINING

11.1. The CEO is entitled and obliged to stay up to date in terms of education and training and to participate in relevant supplementary education and training programmes. The Company will, subject to agreement in each individual case, pay the costs incidental thereto.

12. HOLIDAY

12.1. The CEO is covered by the Holiday Act. The CEO is entitled to holiday with pay and to holiday supplements according to the Holiday Act applicable from time to time.

12.2. The CEO is entitled to five discretionary holiday weeks per year. The discretionary holidays will be granted proportionately in case of commencement of service during the holiday year.

Discretionary holidays must be taken as full days off and must be scheduled as per agreement with the Company.

Any discretionary holidays not taken cannot be transferred to the subsequent holiday year and will lapse without compensation at the end of the holiday year or on severance of service.

13. SICKNESS

13.1. The CEO is entitled to pay during sickness.

13.2. In case of sickness rendering the CEO unable to perform his duties, the CEO must inform the Board.

13.3. The CEO is entitled to time off with pay to care for his own child under the age of 14 on the child's first full sick day. This right is conditional on the CEO not being able to make other arrangements to care for the child, including on the child's other parent not simultaneously exercising a similar right.

14. TERMINATION

14.1. The employment agreement is non-terminable until December 31, 2025, after which date the agreement may be terminated by each party by giving twelve months notice.

15. CONFIDENTIALITY AND DUTY TO RETURN MATERIAL

15.1. The CEO has been made aware of section 3 of the Marketing Practices Act regarding good marketing practices, which implies, among other things, that the CEO may not use knowledge of customers and special business methods in a new position, and of the Trade Secrets Act, which, among other things, contains a prohibition against unauthorised use or disclosure of trade secrets. In case of violation of these provisions, the CEO will be liable to pay an agreed penalty equivalent to six months' salary. Payment of such agreed penalty will not exempt the CEO from his obligations under the Marketing Practices Act and the Trade Secrets Act.

15.2. The CEO must observe confidentiality with respect to any information of which the CEO becomes aware in connection with the performance of his duties as executive officer of the Company, unless, due to its nature, such information must be disclosed to a third party. This duty of confidentiality also applies after the CEO has resigned his position with the Company.

- 15.3. If the CEO resigns his position, irrespective of cause, any and all documents, material and equipment which belongs to the Company or any subsidiary, and which is in the CEO's possession, must be returned to the Company. The CEO cannot exercise any lien in any documents, material, equipment or any other items belonging to the Company.

16. INTERNET AND USE OF E-MAIL

- 16.1. For purposes of performing his duties, the CEO will have access to e-mail and internet through the Company's IT system. The CEO may use these facilities for personal purposes to a limited extent.
- 16.2. The CEO's use of the IT system is registered on the Company's server, but the Company will not check the CEO's use of e-mails and internet on any regular basis. In special situations, for instance in the case of suspected abuse, for security reasons or in connection with the CEO's severance of service, the Company may, however, perform such check.

17. INTELLECTUAL PROPERTY RIGHTS AND KNOW-HOW

- 17.1. Know-how, patent rights, utility model rights, trademark rights, computer programs and the like which the CEO may contribute to conveying to the Company or develop during his employment, and which concern the Company, belong to the Company – whether or not the rights have been registered. The CEO is not entitled to separate remuneration in this respect, as this has been taken into account in the determination of the CEO's remuneration.

18. MISCELLANEOUS

- 18.1. The tax consequences for the CEO of his financial rights under the Agreement are irrelevant to the Company.
- 18.2. The CEO has an obligation to familiarize himself with the guidelines which have been laid down by the Company, and which are regularly updated, including the employee handbook.
- 18.3. In connection with the employment, the Company processes a range of personal data about the CEO. The Company will generally process the data for the purpose of ensuring that the Company complies with its obligations to the CEO under this Executive Service Agreement and the legislation which the Company is required to comply with or for the purpose of documenting the employment relationship history.

19. DISPUTE RESOLUTION

- 19.1. Any dispute arising out of or in connection with this Agreement must be settled in accordance with the Rules of Arbitration Procedure of the Danish Institute of Arbitration.
- 19.2. Each party appoints an arbitrator. The chairman of the arbitration tribunal is appointed by the institute. If a party has not appointed an arbitrator within 30 days of having requested or received notice of arbitration, such arbitrator will be appointed by the institute in accordance with the above-referenced rules.

20. SIGNATURES

20.1. This Agreement is executed in two original copies, both of which are to be signed by the parties. One of the copies is retained by the Company, while the other copy is given to the CEO.

Date: February 14, 2023

Date: February 14, 2023

For and on behalf of the Company

/s/ Stefan Muehlbauer

Stefan Muehlbauer

/s/ Sune Mathiesen

Sune Mathiesen

EXECUTIVE EMPLOYMENT AGREEMENT

PARTIES

Sustainable Projects Group Inc.

2316 Pine Ridge Road

Naples, Florida 34109

(as such entity may be renamed from time to time, including, but not limited to, Lithium Harvest, Inc., the “Company”)

AND

SUNE MATHIESEN

[***]

[***]

(the “Executive”)

have today entered into the following Executive Employment Agreement (the “Agreement”)

1. POSITION

- 1.1. The Executive will serve as the Chief Executive Officer of the Company (“CEO”) commencing as of the effective date of _____, 2023 (“Effective Date”).

2. DUTIES AND RESPONSIBILITIES

- 2.1. The Executive’s duties and responsibilities including:
- Statutory rules and liability, reporting to the Board of the Company or its designee (the “Board”) to perform the duties as the CEO. The CEO is responsible for Company’s complete R&D and duties as assigned by the Board.
 - The Executive shall manage the Company’s U.S. operations.
 - Such other duties and responsibilities as assigned by the Company from time to time.
- 2.2. The Executive will be expected to travel in connection with the performance of his job responsibilities.

3. OTHER OFFICES HELD DURING THE EMPLOYMENT

- 3.1. The Executive shall devote his full business time and attention to the business of the Company and may not, without having obtained the written consent of the Board in each individual case, be an active or passive participant (whether as an employee, consultant, owner, investor, or in any other capacity) in any kind of position, employment or office with any other organization, entity, or on the Executive’s own behalf – whether paid or unpaid.
- 3.2. The Executive may not, without having obtained the consent of the Board, be a shareholder, stakeholder or in any other way participate financially in any other undertaking. The Executive is, however, entitled to make investments in assets which are usually subject to such investment of funds, so long as the Executive does not hold more than 5% of a competitive business.
- 3.3. The Executive must, in compliance with any instructions given by the Board, join the Board of Directors of the Company’s subsidiaries/consolidated companies.

The Executive will not be entitled to any separate cash compensation for such Board positions, but will receive stock grants (if applicable) in line with independent Directors.

4. PLACE OF WORK

- 4.1. Executive’s place of work will be the Company’s Houston, Texas office, or such other location designated by the Company from time to time.
- 4.2. The Executive must expect that some of the duties entailed in his position are to be performed at the Company’s other locations.

5. SALARY AND PENSION

- 5.1. The Executive’s annual salary is \$300,000 USD payable monthly in instalments of 1/12 of the salary on the last banking day of the month (“Base Salary”). Each year in December, beginning in 2023, the annual Base Salary will be reviewed by the Board and may or may not be adjusted.

5.2. The Executive will be eligible to participate in the Company's retirement scheme as available to the Executive, subject to the eligibility terms and conditions of such scheme.

6. BONUS

6.1. Depending on the achievement of certain targets the Executive is eligible to receive an annual bonus, which is earned and paid in accordance with a separate bonus agreement to be entered into by the Company and the Executive in connection with the budget planning for the financial year. The bonus agreement will allow the Executive to obtain up to 150% of the current annual Base Salary, subject to the terms of such bonus agreement.

6.2. The Executive will be eligible to enter into an individually agreed-upon stock grant agreement, which will allow the Executive to obtain stock valued at up to 100% of the current annual Base Salary.

7. COMPANY CAR

7.1. The Company will provide a company car to the Executive for use during employment and will pay for all reasonable expenses related to the business use of the company car.

8. OTHER EMPLOYEE BENEFITS

8.1. The Company will, according to agreement with the Executive, make the following available to the Executive for the performance of the Executive's job responsibilities:

- (a) mobile phone
- (b) computer
- (c) internet connection at the Executive's home address
- (d) relevant trade magazines

The Company will pay all reasonable and usual costs incidental to these benefits.

8.2. In connection with the Executive's initial move to the Company's U.S. office, the Company shall reimburse the Executive for reasonable moving costs to the Houston, Texas metropolitan area for Executive and his immediate family, subject to the Executive providing documentation of such reasonable costs as required by the Company.

8.3. So long as Executive remains employed by the Company and for up to the initial two consecutive years following the date the Executive relocates to the Houston, Texas area, the Company will reimburse Executive for reasonable housing costs in the Houston, Texas area, up to a total amount of \$5,000 per month.

8.4. At the Company's request, and without any compensation being offered in this respect, the Executive must in the event that he is released from his duties immediately or at a time to be determined by the Company return all company equipment, including those provided as employee benefits as outlined above.

8.5. The Executive shall be subject to all applicable taxes related to the Company providing the employee benefits described in this Agreement.

9. INSURANCE

9.1. In addition to any compulsory insurance, the Executive will be entitled to the following:

- (a) Preventive health plan or health insurance as made available by the Company from time to time.

9.2. A detailed description of the health insurance scheme will be made available to Company employees.

10. TRAVEL AND ENTERTAINMENT EXPENSES

10.1. The Company will make a company credit card available to the Executive for payment of the Executive's usual and reasonable travel and entertainment expenses incurred while in the service of the Company. The Executive shall regularly submit the required documentation of expenses incurred in accordance with the Company's policies and practices.

11. EDUCATION AND TRAINING

11.1. The Executive is entitled and obliged to stay up to date in terms of education and training and to participate in relevant supplementary education and training programmes. The Company will, subject to prior approval in each individual case, pay the costs incidental thereto.

12. HOLIDAY

12.1. The Executive will be entitled to paid holidays in accordance with the Company's practices as in place from time to time.

12.2. The Executive is entitled to a total of four discretionary holiday (vacation) weeks per year. The discretionary holidays will be accrued proportionately each month based on the Executive's commencement of employment during the holiday year.

Discretionary holidays must be taken as full days off and must be scheduled as per the Company's policies and practices.

Any discretionary holidays not taken cannot be transferred to the subsequent holiday year and will lapse without compensation at the end of the holiday year or upon termination of employment. No discretionary holiday will be paid out upon termination of employment.

13. TERMINATION

13.1. The Company agrees to employ the Executive under this Agreement until December 31, 2025 (the period up to such date, the "Initial Term"), except upon earlier termination of employment as outlined below. Following the Initial Term, this Agreement may be terminated by each party for any reason by, subject to the severance eligibility outlined below. At all times, the Executive's employment under this Agreement shall remain at-will.

14. PAYMENT UPON TERMINATION OF EMPLOYMENT

- 14.1. If Executive's employment is involuntarily terminated during the Initial Term at the initiative of the Company for any reason other than Cause, Executive's death or Disability, then, in addition to such compensation that has been earned but not paid to Executive as of the Executive's Termination Date ("Accrued Compensation"), and subject to the conditions outlined below, the Company will continue to pay Executive his then-current Base Salary for the remainder of the Initial Term. The Company will pay the separation payments under this Section 14.1 to Executive in substantially equal installments in accordance with the Company's regular payroll practices and schedule, commencing on the first payroll date following the Termination Date and continuing for the remainder of the Initial Term; provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the fortieth (40th) calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty (40) days after the Termination Date and included with the installment payable on such payroll date.
- 14.2. If Executive's employment is involuntarily terminated following the Initial Term at the initiative of the Company for any reason other than Cause, Executive's death or Disability, then, in addition to the Accrued Compensation, and subject to the conditions outlined below, the Company will continue to pay Executive his then-current Base Salary for a period of 12 months following the Termination Date. The Company will pay the separation payments under this Section 14.2 to Executive in substantially equal installments in accordance with the Company's regular payroll practices and schedule, commencing on the first payroll date following the Termination Date and continuing for the remainder of the 12-month period following the Termination Date; provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the fortieth (40th) calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty (40) days after the Termination Date and included with the installment payable on such payroll date.
- 14.3. The Company and Executive intend that the separation pay provided under this Section 14 shall be exempt from Section 409A of the Internal Revenue Code (the "Code") as a "separation pay plan due to involuntary separation from service" under Treas. Reg. § 1.409A-1(b)(9)(iii) and/or a short-term deferral under Treas. Reg. § 1.409A-1(b)(4).
- 14.4. Notwithstanding anything above to the contrary, the Company will not be obligated to provide the separation pay to Executive under Section 14.1 or Section 14.2 unless: (i) Executive (or Executive's personal representative or guardian, as applicable) has signed a release of claims in favor of the Company and its affiliates and related entities, and their directors, officers, insurers, employees and agents, in a form prescribed by the Company; (ii) all applicable rescission periods provided by law for releases of claims have expired and Executive (or Executive's personal representative or guardian, as applicable) has not rescinded the release of claims; and (iii) Executive is in strict compliance with the terms of this Agreement and any other written agreements between the Company and Executive as of the dates of such payments.
- 14.5. For the purposes of this Section 14, the following terms shall have the meaning outlined below:

"Cause" means: (i) any act by Executive that is materially detrimental to the best interests of the Company or that constitutes common law fraud, a felony, or any other criminal act involving moral turpitude; (ii) gross misconduct, material neglect, or any act of disloyalty or dishonesty by Executive related to or connected with Executive's employment by the Company or otherwise likely to cause material harm to the Company or its reputation; (iii) a material violation by Executive of the Company's written policies, codes of conduct, or direction of the Company's Board; (iv) wrongful appropriation by Executive of Company funds or property or other material breach of Executive's fiduciary duties to the Company; or (v) the material breach of this Agreement by Executive, or any other written agreement between the Company and Executive.

"Disability" or "Disabled" means the inability of Executive to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, if such inability continues for an uninterrupted period of one hundred twenty (120) days or more during any one hundred eighty (180) day period. A period of inability is "uninterrupted" unless and until Executive returns to full time work for a continuous period of at least thirty (30) days.

"Termination Date" means the date of Executive's "separation from service" with the Company (including all affiliated organizations, as applicable), within the meaning of section 409A(a)(2)(A)(i) of the Code.

15. CONFIDENTIALITY AND RESTRICTIVE COVENANTS

- 15.1. In consideration of the commitments of the Company under this Agreement, the Executive agrees and hereby enters into the Confidentiality and Restrictive Covenant Agreement attached hereto as Exhibit A.

16. INTERNET AND USE OF E-MAIL

- 16.1. For purposes of performing his duties, the Executive will have access to e-mail and internet through the Company's IT system. The Executive may use these facilities for personal purposes to a limited extent.
- 16.2. The Executive's use of the IT system is registered on the Company's server, but the Company will not check the Executive's use of e-mails and internet on any regular basis. In special situations, for instance in the case of suspected abuse, for security reasons or in connection with the Executive's severance of service, the Company may, however, perform such check.

17. INTELLECTUAL PROPERTY RIGHTS AND KNOW-HOW

- 17.1. Know-how, patent rights, utility model rights, trademark rights, computer programs and the like which the Executive may contribute to conveying to the Company or develop during his employment, and which concern the Company, belong to the Company – whether or not the rights have been registered. The Executive is not entitled to separate remuneration in this respect, as this has been taken into account in the determination of the Executive's remuneration.

18. MISCELLANEOUS

- 18.1. The Company may deduct any tax required under applicable law from the payments made to Executive under this Agreement.
- 18.2. The Executive has an obligation to familiarize himself with the guidelines and policies which have been laid down by the Company, and which are regularly updated, including the employee handbook.
- 18.3. This Agreement shall be governed by the laws of Texas, without regard to any conflict of law provisions thereof.
- 18.4. In connection with the employment, the Company processes a range of personal data about the Executive. The Company will generally process the data for the purpose of ensuring that the Company complies with its obligations to the Executive under this Agreement and the legislation which the Company is required to comply with or for the purpose of documenting the employment relationship history.

19. DISPUTE RESOLUTION

- 19.1. Any dispute arising out of or in connection with this Agreement must be settled in accordance with the applicable rules of arbitration.

20. SIGNATURES

20.1. This Agreement is executed in two original copies, both of which are to be signed by the parties. One of the copies is retained by the Company, while the other copy is given to the Executive.

Date:

Date:

For and on behalf of the Company

Sune Mathiesen - Executive

EXHIBIT A

EMPLOYEE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT (this “Agreement”) dated this _____ day of _____, 2023 (the “Effective Date”) by and between Sustainable Projects Group Inc. (as such entity may be renamed from time to time, including, but not limited to, Lithium Harvest, Inc., the “Company”) and Sune Mathiesen (the “Employee”). Each of the Company and Employee hereinafter may be referred to individually as a “Party” or, collectively, as the “Parties.”

In consideration of Employee’s employment with the Company, the compensation and benefits Employee will earn in connection with such employment, the Company providing Employee with access to Confidential Information (as defined below), and other good and valuable consideration, the sufficiency and receipt of which Employee acknowledges, Employee agrees as follows:

1. Confidential Information.

(a) Except as expressly permitted by the Company in writing or as required in the performance of Employee’s duties on behalf of the Company, during Employee’s employment with the Company and thereafter, Employee shall keep confidential and not disclose, divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary, nonpublic or secret knowledge or information of the Company or any of its Affiliates (as defined below) that Employee has acquired or shall acquire during Employee’s employment with the Company or any of its Affiliates, whether developed by Employee or by others, concerning (i) any Trade Secrets (as defined below), (ii) any confidential, proprietary, nonpublic or secret design, process, formula, plan, model, specifications, device or material (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company or any of its Affiliates, (iii) any customer or supplier list of the Company or any of its Affiliates, or any requirements, specifications or other confidential information about or received from any customer or supplier, (iv) any confidential, proprietary, nonpublic or secret development or research work of the Company or any of its Affiliates, (v) any strategic or other business, marketing or sales plan of the Company or any of its Affiliates, (vi) any financial data or plan respecting the Company or any of its Affiliates, or (vii) any other confidential, nonpublic or proprietary information or secret aspects of the business of the Company or any of its Affiliates (collectively, “Confidential Information”).

(b) During Employee’s employment with the Company and thereafter, Employee shall take reasonable steps to protect the confidentiality of Confidential Information.

(c) Employee acknowledges that the above-described Confidential Information constitutes a unique and valuable asset of the Company and its Affiliates and represents a substantial investment of time and expense by the Company and its Affiliates, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and may cause irreparable harm to the Company and its Affiliates. The Parties acknowledge and agree that Employee’s obligations under this Agreement to maintain the confidentiality of the Company’s Confidential Information are in addition to any obligations of Employee under applicable statutory or common law.

(d) The foregoing obligations of confidentiality shall not apply to any Confidential Information to the extent that it (i) is now or subsequently becomes generally publicly known or generally known in the industry in which the Company operates in the form in which it was obtained from the Company (or its applicable Affiliate), (ii) is independently made available to Employee in good faith by a third party who has not violated an obligation of confidentiality to the Company or any of its Affiliates, or (iii) is required to be disclosed by legal process. Nothing contained in the preceding sentence shall be interpreted to legitimize any disclosure of Confidential Information by Employee that occurs prior to any of the events described in items (i) through (iii) of the preceding sentence.

(e) Employee may not be held criminally or civilly liable under any federal or state Trade Secret law for the disclosure of a Trade Secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the Trade Secret except pursuant to a court order.

2. Non-Solicitation. Employee acknowledges that in the course of Employee's employment with the Company and its Affiliates, Employee has and will become familiar with the Company's and its Affiliates' Trade Secrets and with other Confidential Information concerning the Company and its Affiliates and that Employee's services will be of special, unique and extraordinary value to the Company and its Affiliates. Therefore, and in further consideration of the compensation and benefits to be provided to Employee in connection with Employee's employment with the Company, Employee agrees that during Employee's employment with the Company or any Affiliate and for a period of 12 months after the termination of Employee's employment with the Company or any Affiliate (the "Restricted Period"), regardless of the reason for the termination of Employee's employment and whether such termination is at the initiative of Employee or the Company (or any applicable Affiliate), Employee shall not, directly or indirectly, (a) (i) solicit, entice, encourage or induce any person who is then, or was during the then prior 12-month period, an employee, consultant, agent, representative, or other service provider of the Company or its Affiliates ("Protected Party"), to resign or terminate employment or other engagement with the Company or its Affiliates, or become an employee, consultant, agent, representative, or other service provider of any other person, firm or corporation that provides the same or similar products or services (or otherwise competes with the Company or its Affiliates) within any geographic location in which the Company or its Affiliates is doing business or preparing to do business, including any other location in which the Company or its Affiliates conduct or prepares to conduct business during Employee's employment (the "Restricted Territory"), or (ii) approach any such Protected Party for such purpose or authorize or knowingly approve the taking of such actions by any other person, firm or corporation or assist any such person, firm or corporation in taking such action; or (b) solicit, entice, encourage or induce any person or entity who is then, or was during the then prior 12-month period, a customer or client of the Company or its Affiliates, or a party with whom the Company or its Affiliates have contracted for services within the Restricted Territory to terminate, modify, or fail to renew their relationship or contractual arrangement with the Company, or otherwise divert or attempt to divert from the Company or its Affiliates any business the Company or its Affiliates enjoyed, solicited, or attempted to solicit from its customers during or prior to Employee's employment with the Company or its Affiliates.

3. Assignment of Intellectual Property Rights.

(a) Employee acknowledges and agrees that all inventions, technology, research and development techniques or plans and equipment, and processes, research data, innovations, ideas, improvements, developments, methods, designs, analyses, Trade Secrets, trademarks, writings, audiovisual works, concepts, drawings, reports and all similar or derivative information or works, whether or not patentable or subject to copyright, including but not limited to all patents, copyrights, copyright registrations, trademarks, and trademark registrations in and to any of the foregoing, along with the right to practice, employ, exploit, use, develop, reproduce, copy, distribute copies, publish, license or create works derivative of any of the foregoing, and the right to choose not to do or permit any of the aforementioned actions, which relate to the Company's business, research and development or existing or future products or services and which are conceived, developed or made by Employee for the Company Group (as defined below) or while employed by the Company using the Company Group's equipment, supplies, facilities or Trade Secrets (collectively, the "Work Product") are owned by and belong to the Company to the maximum extent permitted by law.

(b) All Work Product created by Employee will be considered "work made for hire," and as such, the Company is the sole owner of all rights, title, and interests therein. All other rights to any new Work Product and all rights to any existing Work Product, including but not limited to all of Employee's rights to any copyrights or copyright registrations related thereto, are hereby conveyed, assigned and transferred to the Company pursuant to this Agreement.

(c) Employee will promptly disclose and deliver such Work Product to the Company and, at the Company's expense, perform all actions reasonably requested by the Company, during or after employment, to establish, confirm and protect such ownership including, without limitation, the execution of assignments, copyright or trademark registrations, consents, licenses, powers of attorney and other instruments.

(d) Employee's assignment of Work Product to the Company under this Section 3 does not apply to any inventions that Employee develops entirely on Employee's own time without using Company's equipment, supplies, facilities, or trade secret information except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to the Company's or any Affiliate's business, or actual or demonstrably anticipated research or development of the Company or its Affiliates, or (ii) result from any work performed by Employee for the Company or its Affiliates.

4. Company Property. Upon request or when Employee's employment with the Company terminates, Employee will immediately deliver to the Company all records, documents, physical property, information, software, databases, computer disks (and other computer-generated files and data) and any other data and records of any kind, and copies thereof, created on any medium (whether written, printed, electronic, magnetic, optical or other media form) and received from, created for, belonging to the Company Group, or pertaining to the business of the Company or its Affiliates, that are in Employee's possession or under Employee's control; provided, however, Employee shall be entitled to retain all records to which Employee is entitled to under law as a direct or indirect equityholder of the Company.

5. At-Will Employment. This Agreement is not a guarantee or promise of employment for a definite period of time, and employee's employment with company is "at-will".

6. Definitions. When used in this Agreement:

(a) "Company Group" means the Company and each of its Affiliates.

(b) "Affiliates" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, subsidiary, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company, including without limitation, Lithium Harvest ApS.

(c) "Trade Secret" means a trade secret as that term is defined under applicable law.

7. Amendment. Any amendments, or alternative or supplementary provisions, to this Agreement, must be made in writing and duly executed by an authorized representative or agent of each of the Parties hereto.

8. Other Agreements. This Agreement constitutes the sole and complete agreement between the Company and Employee concerning the subject matter herein, both oral and written.

9. Successors. This Agreement shall be binding on, and inure to the benefit of, the Company and its successors and assigns and any person acquiring, whether by merger, reorganization, consolidation, by purchase of assets or otherwise, all or substantially all of the assets of the Company.

10. Waiver of Breach. The failure of a Party to insist upon performance of any of the terms, covenants or conditions of this Agreement or to exercise any right or privilege in this Agreement conferred, or the waiver by such Party of any breach of any of the terms, covenants or conditions of this Agreement, shall not be construed as a subsequent waiver of any such terms, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving Party.

11. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and, for purposes of such jurisdiction, such provision or portion thereof shall be struck from the remainder of this Agreement, which shall remain in full force and effect. This Agreement shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the Parties under this Agreement.

12. Waiver of Jury Trial. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LAWSUIT, ACTION OR PROCEEDING SEEKING ENFORCEMENT OF SUCH PARTY'S RIGHTS UNDER THIS AGREEMENT.

13. Specific Enforcement. Employee acknowledges that the restrictions set forth in Section 1 through Section 3 are reasonable and necessary to protect the legitimate business interests of the Company, including without limitation the Company's Trade Secrets, Confidential Information and substantial relationships between the Company and its employees, customers and prospective customers, and that the Company would not have entered into this Agreement in the absence of such restrictions. Employee also acknowledges that any breach by Employee of the restrictions referenced in Section 1 through Section 3 will cause continuing and irreparable injury to the Company for which monetary damages would not be an adequate remedy. Employee shall not, in any action or proceeding to enforce any of the provisions of this Agreement, assert the claim or defense that an adequate remedy at law exists. In the event of such breach by Employee, the Company shall have the right to enforce the provisions of Section 1 through Section 3 by seeking injunctive or other relief in any court, without the necessity of posting a bond, and this Agreement shall not in any way limit remedies of law or in equity otherwise available to the Company.

14. Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Texas without giving effect to any choice or conflict of law provision or rule, whether of the State of Texas or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Texas.

15. Jurisdiction and Venue. Employee and the Company consent to jurisdiction of the courts of the State of Texas and/or the federal district courts of the State of Texas applicable in the jurisdiction in which the Company's office is located for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Texas and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

16. Headings. The section headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

17. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date first above written.

COMPANY

By: _____

Stefan Muehlbauer

EMPLOYEE

Sune Mathiesen

EMPLOYMENT AGREEMENT

PARTIES

Sustainable Projects Group Inc.

2316 Pine Ridge Road

Naples, Florida 34109

(as such entity may be renamed from time to time, including, but not limited to, Lithium Harvest, Inc., the “Company”)

AND

Stefan Muehlbauer

[***]

[***]

(the “Employee”)

have today entered into the following Employment Agreement (the “Agreement”)

1. POSITION

- 1.1. The Employee will serve as the Chief Financial Officer of Sustainable Projects Group Inc. (“CFO”), or such other role as determined by the Company from time to time, commencing as of the effective date of February 14, 2023 (“Effective Date”) and ending on the 1-year anniversary of the Effective Date (such period, the “Term”).

2. DUTIES AND RESPONSIBILITIES

- 2.1. During the Term, the Employee shall be assigned duties by the Company consistent with his role as CFO or such other role as determined by the Company from time to time.
- 2.2. The Employee will be expected to travel in connection with the performance of his job responsibilities.

3. OTHER OFFICES HELD DURING THE TERM

- 3.1. The Employee shall devote his full business time and attention to the business of the Company and may not, without having obtained the written consent of the CEO in each individual case, be an active or passive participant (whether as an employee, consultant, owner, investor, or in any other capacity) in any kind of position, employment or office with any other organization, entity, or on the Employee’s own behalf – whether paid or unpaid.
- 3.2. The Employee may not, without having obtained the consent of the CEO, be a shareholder, stakeholder or in any other way participate financially in any other undertaking. The Employee is, however, entitled to make investments in assets which are usually subject to such investment of funds, so long as the Employee does not hold more than 5% of a competitive business.
- 3.3. During the Term, the Employee must, in compliance with any instructions given by the CEO, join the Board of Directors of the Company’s subsidiaries/consolidated companies.

The Employee will not be entitled to any separate cash compensation for such Board positions, but will receive stock grants (if applicable) in line with independent Directors.

Upon expiration of the Term, the Employee agrees to resign and hereby resigns from any boards or other positions with the Company and its affiliates.

4. PLACE OF WORK

- 4.1. Employee’s place of work will be remote, or such other location designated by the Company from time to time.
- 4.2. The Employee must expect that some of the duties entailed in his position are to be performed at the Company’s other locations.

5. SALARY AND PENSION

- 5.1. During the Term, the Employee’s annual salary is \$125,000 USD payable monthly in instalments of 1/12 of the salary on the last banking day of the month (“Base Salary”).
- 5.2. The Employee will be eligible to participate in the Company’s benefit plan as available to the Employee, subject to the eligibility terms and conditions of any such plans or programs.

6. BONUS

6.1. At the end of the Term, the Employee is eligible to receive a one-time, lump sum bonus of \$25,000, subject to the Employee remaining employed with the Company through the expiration of the Term.

7. EARLY TERMINATION OF AGREEMENT

7.1. In the event the company terminates this fixed term employment agreement without cause, before its expiration on January 31, 2024 the company agrees to continue to pay the remaining base salary and bonus.

8. OTHER EMPLOYEE BENEFITS

8.1. The Company will, according to agreement with the Employee, make the following available to the Employee for the performance of the Employee's job responsibilities:

- (a) mobile phone
- (b) computer

The Company will pay all reasonable and usual costs incidental to these benefits.

8.2. At the Company's request, and without any compensation being offered in this respect, the Employee must in the event that he is released from his duties immediately or at a time to be determined by the Company return all company equipment, including those provided as employee benefits as outlined above.

8.3. The Employee shall be subject to all applicable taxes related to the Company providing the employee benefits described in this Agreement.

9. INSURANCE

9.1. In addition to any compulsory insurance, the Employee will be entitled to the following, subject to the eligibility criteria for any such benefits:

- (a) Preventive health plan or health insurance as made available by the Company from time to time

9.2. A detailed description of the health insurance scheme will be made available to Company employees if implemented by the Company.

10. TRAVEL AND ENTERTAINMENT EXPENSES

10.1. The Company will reimburse the Employee for reasonable and necessary travel and entertainment expenses incurred while in the service of the Company. The Employee shall regularly submit the required documentation of expenses incurred in accordance with the Company's policies and practices.

11. HOLIDAY

11.1. The Employee will be entitled to paid holidays in accordance with the Company's practices as in place from time to time.

- 11.2. The Employee is entitled to a total of four vacation weeks per year. The discretionary holidays will be accrued proportionately each month based on the Employee's commencement of employment during the holiday year.

Vacation must be taken as full days off and must be scheduled as per the Company's policies and practices.

Any vacation not taken cannot be transferred to the subsequent holiday year and will lapse without compensation at the end of the year or upon termination of employment. No vacation will be paid out upon termination of employment.

12. TERMINATION

- 12.1. The Company agrees to employ the Employee under this Agreement until the expiration of the Term, except upon earlier termination of employment upon 30 days' notice by either party. The Company reserves the right to immediately terminate Employee's employment under this Agreement without notice for breach of this Agreement or other serious cause. At all times, the Employee's employment under this Agreement shall remain at-will.

13. CONFIDENTIALITY AND RESTRICTIVE COVENANTS

- 13.1. In consideration of the commitments of the Company under this Agreement, the Employee agrees and hereby enters into the Confidentiality and Restrictive Covenant Agreement attached hereto as Exhibit A.

14. INTERNET AND USE OF E-MAIL

- 14.1. For purposes of performing his duties, the Employee will have access to e-mail and internet through the Company's IT system. The Employee may use these facilities for personal purposes to a limited extent.
- 14.2. The Employee's use of the IT system is registered on the Company's server, but the Company reserves the right to review Employee's use of e-mails and internet in certain situations, including in the case of suspected abuse, for security reasons or in connection with the Employee's severance of service.

15. INTELLECTUAL PROPERTY RIGHTS AND KNOW-HOW

- 15.1. Know-how, patent rights, utility model rights, trademark rights, computer programs and the like which the Employee may contribute to conveying to the Company or develop during his employment, and which concern the Company, belong to the Company – whether or not the rights have been registered. The Employee is not entitled to separate remuneration in this respect, as this has been taken into account in the determination of the Employee's remuneration.

16. MISCELLANEOUS

- 16.1. The Company may deduct any tax required under applicable law from the payments made to Employee under this Agreement.
- 16.2. The Employee has an obligation to familiarize himself with the guidelines and policies which have been laid down by the Company, and which are regularly updated, including the employee handbook.
- 16.3. This Agreement shall be governed by the laws of Texas, without regard to any conflict of law provisions thereof.
- 16.4. In connection with the employment, the Company processes a range of personal data about the Employee. The Company will generally process the data for the purpose of ensuring that the Company complies with its obligations to the Employee under this Agreement and the legislation which the Company is required to comply with or for the purpose of documenting the employment relationship history.

17. DISPUTE RESOLUTION

- 17.1. Any dispute arising out of or in connection with this Agreement must be settled in accordance with the applicable rules of arbitration.

18. SIGNATURES

18.1. This Agreement is executed in two original copies, both of which are to be signed by the parties. One of the copies is retained by the Company, while the other copy is given to the Employee.

Date: February 14, 2023

—
Date: February 14, 2023

For and on behalf of the Company

/s/ Sune Mathiesen
Sune Mathiesen – CEO

/s/ Stefan Muehlbauer
Stefan Muehlbauer

EXHIBIT A

EMPLOYEE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT (this “Agreement”) dated this ____ day of _____, 2023 (the “Effective Date”) by and between Lithium Harvest Inc. (the “Company”) and Stefan Muehlbauer (the “Employee”). Each of the Company and Employee hereinafter may be referred to individually as a “Party” or, collectively, as the “Parties.”

In consideration of Employee’s employment with the Company, the compensation and benefits Employee will earn in connection with such employment, the Company providing Employee with access to Confidential Information (as defined below), and other good and valuable consideration, the sufficiency and receipt of which Employee acknowledges, Employee agrees as follows:

1. Confidential Information.

(a) Except as expressly permitted by the Company in writing or as required in the performance of Employee’s duties on behalf of the Company, during Employee’s employment with the Company and thereafter, Employee shall keep confidential and not disclose, divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary, nonpublic or secret knowledge or information of the Company or any of its Affiliates (as defined below) that Employee has acquired or shall acquire during Employee’s employment with the Company or any of its Affiliates, whether developed by Employee or by others, concerning (i) any Trade Secrets (as defined below), (ii) any confidential, proprietary, nonpublic or secret design, process, formula, plan, model, specifications, device or material (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company or any of its Affiliates, (iii) any customer or supplier list of the Company or any of its Affiliates, or any requirements, specifications or other confidential information about or received from any customer or supplier, (iv) any confidential, proprietary, nonpublic or secret development or research work of the Company or any of its Affiliates, (v) any strategic or other business, marketing or sales plan of the Company or any of its Affiliates, (vi) any financial data or plan respecting the Company or any of its Affiliates, or (vii) any other confidential, nonpublic or proprietary information or secret aspects of the business of the Company or any of its Affiliates (collectively, “Confidential Information”).

(b) During Employee’s employment with the Company and thereafter, Employee shall take reasonable steps to protect the confidentiality of Confidential Information.

(c) Employee acknowledges that the above-described Confidential Information constitutes a unique and valuable asset of the Company and its Affiliates and represents a substantial investment of time and expense by the Company and its Affiliates, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and may cause irreparable harm to the Company and its Affiliates. The Parties acknowledge and agree that Employee’s obligations under this Agreement to maintain the confidentiality of the Company’s Confidential Information are in addition to any obligations of Employee under applicable statutory or common law.

(d) The foregoing obligations of confidentiality shall not apply to any Confidential Information to the extent that it (i) is now or subsequently becomes generally publicly known or generally known in the industry in which the Company operates in the form in which it was obtained from the Company (or its applicable Affiliate), (ii) is independently made available to Employee in good faith by a third party who has not violated an obligation of confidentiality to the Company or any of its Affiliates, or (iii) is required to be disclosed by legal process. Nothing contained in the preceding sentence shall be interpreted to legitimize any disclosure of Confidential Information by Employee that occurs prior to any of the events described in items (i) through (iii) of the preceding sentence.

(e) Employee may not be held criminally or civilly liable under any federal or state Trade Secret law for the disclosure of a Trade Secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the Trade Secret except pursuant to a court order.

2. Non-Competition. Employee acknowledges that in the course of Employee's employment with the Company and its Affiliates, Employee has and will become familiar with the Company's and its Affiliates' Trade Secrets and with other Confidential Information concerning the Company and its Affiliates and that Employee's services will be of special, unique and extraordinary value to the Company and its Affiliates. Therefore, and in further consideration of the compensation and benefits to be provided to Employee in connection with Employee's employment with the Company, Employee agrees that during Employee's employment with the Company or any Affiliate and for a period of 12 months after the termination of Employee's employment with the Company or any Affiliate (the "Restricted Period"), regardless of the reason for the termination of Employee's employment and whether such termination is at the initiative of Employee or the Company (or any applicable Affiliate), Employee shall not directly or indirectly (whether as owner, partner, consultant, employee, investor, advisor, director, officer, shareholder, or otherwise), perform any services for any person, business, entity or venture engaged in the same or similar business of, or that otherwise competes or is reasonably likely to compete, directly or indirectly, with the then-current or reasonably anticipated business of the Company or its Affiliates in any geographic location in which the Company or its Affiliates is doing business or preparing to do business, including any other location in which the Company or its Affiliates conduct or prepares to conduct business during Employee's employment (the "Restricted Territory").

3. Non-Solicitation. Employee acknowledges that in the course of Employee's employment with the Company and its Affiliates, Employee has and will become familiar with the Company's and its Affiliates' Trade Secrets and with other Confidential Information concerning the Company and its Affiliates, and also will become familiar with the Company's and its Affiliates' relationships with employees, consultants, agents, customers and clients, and prospective customers and clients. Therefore, and in further consideration of the compensation and benefits to be provided to Employee in connection with Employee's employment with the Company and its Affiliates, Employee agrees that during the Restricted Period, regardless of the reason for the termination of Employee's employment with the Company or any Affiliate and whether such termination is at the initiative of Employee or the Company or any Affiliate, Employee shall not, directly or indirectly, (a) (i) solicit, entice, encourage or induce any person who is then, or was during the then prior 12-month period, an employee, consultant, agent, representative, or other service provider of the Company or its Affiliates ("Protected Party"), to resign or terminate employment or other engagement with the Company or its Affiliates, or become an employee, consultant, agent, representative, or other service provider of any other person, firm or corporation that provides the same or similar products or services (or otherwise competes with the Company or its Affiliates) within the Restricted Territory, or (ii) approach any such Protected Party for such purpose or authorize or knowingly approve the taking of such actions by any other person, firm or corporation or assist any such person, firm or corporation in taking such action; or (b) solicit, entice, encourage or induce any person or entity who is then, or was during the then prior 12-month period, a customer or client of the Company or its Affiliates, or a party with whom the Company or its Affiliates have contracted for services within the Restricted Territory to terminate, modify, or fail to renew their relationship or contractual arrangement with the Company, or otherwise divert or attempt to divert from the Company or its Affiliates any business the Company or its Affiliates enjoyed, solicited, or attempted to solicit from its customers during or prior to Employee's employment with the Company or its Affiliates.

4. Non-Disparagement. During Employee's employment with the Company or any Affiliate and for a period of 24 months after the termination of Employee's employment with the Company or any Affiliate, regardless of the reason for the termination of Employee's employment with the Company or any Affiliate and whether such termination is at the initiative of Employee or the Company or any Affiliate, Employee shall not directly or indirectly through another person or entity make any negative or disparaging statements or communications regarding the Company or its Affiliates to any customer, supplier, independent contractor or other business relation of the Company; provided, however, that nothing in this Section 4 is intended to prohibit Employee from engaging in any permitted activities under applicable law.

5. Assignment of Intellectual Property Rights.

(a) Any intellectual property, including, but not limited to, any inventions, patents, trademarks, service marks, copyrights, creations, know how, work product, and other developments or improvements, if any, patented or unpatented, that Employee, alone or with others, conceived, created, invented, developed, reduced to practice, or caused to be conceived and or caused to be reduced to practice prior to the earlier of (a) commencement of Employee's employment with the Company or (b) when Employee first provided services to the Company, has been provided to the Company ("Prior Inventions"). If no such Prior Inventions are disclosed, then Employee agrees that Employee has no Prior Inventions.

(b) Employee acknowledges and agrees that all inventions, technology, research and development techniques or plans and equipment, and processes, research data, innovations, ideas, improvements, developments, methods, designs, analyses, Trade Secrets, trademarks, writings, audiovisual works, concepts, drawings, reports and all similar or derivative information or works, whether or not patentable or subject to copyright, including but not limited to all patents, copyrights, copyright registrations, trademarks, and trademark registrations in and to any of the foregoing, along with the right to practice, employ, exploit, use, develop, reproduce, copy, distribute copies, publish, license or create works derivative of any of the foregoing, and the right to choose not to do or permit any of the aforementioned actions, which relate to the Company's business, research and development or existing or future products or services and which are conceived, developed or made by Employee for the Company Group (as defined below) or while employed by the Company using the Company Group's equipment, supplies, facilities or Trade Secrets (collectively, the "Work Product") are owned by and belong to the Company to the maximum extent permitted by law.

(c) All Work Product created by Employee will be considered "work made for hire," and as such, the Company is the sole owner of all rights, title, and interests therein. All other rights to any new Work Product and all rights to any existing Work Product, including but not limited to all of Employee's rights to any copyrights or copyright registrations related thereto, are hereby conveyed, assigned and transferred to the Company pursuant to this Agreement.

(d) Employee will promptly disclose and deliver such Work Product to the Company and, at the Company's expense, perform all actions reasonably requested by the Company, during or after employment, to establish, confirm and protect such ownership including, without limitation, the execution of assignments, copyright or trademark registrations, consents, licenses, powers of attorney and other instruments.

(e) Employee's assignment of Work Product to the Company under this Section 5 does not apply to any inventions that Employee develops entirely on Employee's own time without using Company's equipment, supplies, facilities, or trade secret information except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to the Company's or any Affiliate's business, or actual or demonstrably anticipated research or development of the Company or its Affiliates, or (ii) result from any work performed by Employee for the Company or its Affiliates.

6. Company Property. Upon request or when Employee's employment with the Company terminates, Employee will immediately deliver to the Company all records, documents, physical property, information, software, databases, computer disks (and other computer-generated files and data) and any other data and records of any kind, and copies thereof, created on any medium (whether written, printed, electronic, magnetic, optical or other media form) and received from, created for, belonging to the Company Group, or pertaining to the business of the Company or its Affiliates, that are in Employee's possession or under Employee's control; provided, however, Employee shall be entitled to retain all records to which Employee is entitled to under law as a direct or indirect equityholder of the Company.

7. At-Will Employment. This Agreement is not a guarantee or promise of employment for a definite period of time, and employee's employment with company is "at-will".

8. Definitions. When used in this Agreement:

(a) "Company Group" means the Company and each of its Affiliates.

(b) "Affiliates" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, subsidiary, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company, including without limitation, Lithium Harvest ApS.

(c) "Trade Secret" means a trade secret as that term is defined under applicable law.

10. Amendment. Any amendments, or alternative or supplementary provisions, to this Agreement, must be made in writing and duly executed by an authorized representative or agent of each of the Parties hereto.

11. Other Agreements. This Agreement constitutes the sole and complete agreement between the Company and Employee concerning the subject matter herein, both oral and written.

12. Successors. This Agreement shall be binding on, and inure to the benefit of, the Company and its successors and assigns and any person acquiring, whether by merger, reorganization, consolidation, by purchase of assets or otherwise, all or substantially all of the assets of the Company.

13. Waiver of Breach. The failure of a Party to insist upon performance of any of the terms, covenants or conditions of this Agreement or to exercise any right or privilege in this Agreement conferred, or the waiver by such Party of any breach of any of the terms, covenants or conditions of this Agreement, shall not be construed as a subsequent waiver of any such terms, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving Party.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and, for purposes of such jurisdiction, such provision or portion thereof shall be struck from the remainder of this Agreement, which shall remain in full force and effect. This Agreement shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the Parties under this Agreement.

15. Waiver of Jury Trial. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LAWSUIT, ACTION OR PROCEEDING SEEKING ENFORCEMENT OF SUCH PARTY'S RIGHTS UNDER THIS AGREEMENT.

16. Specific Enforcement. Employee acknowledges that the restrictions set forth in Section 1 through Section 5 are reasonable and necessary to protect the legitimate business interests of the Company, including without limitation the Company's Trade Secrets, Confidential Information and substantial relationships between the Company and its employees, customers and prospective customers, and that the Company would not have entered into this Agreement in the absence of such restrictions. Employee also acknowledges that any breach by Employee of the restrictions referenced in Section 1 through Section 5 will cause continuing and irreparable injury to the Company for which monetary damages would not be an adequate remedy. Employee shall not, in any action or proceeding to enforce any of the provisions of this Agreement, assert the claim or defense that an adequate remedy at law exists. In the event of such breach by Employee, the Company shall have the right to enforce the provisions of Section 1 through Section 5 by seeking injunctive or other relief in any court, without the necessity of posting a bond, and this Agreement shall not in any way limit remedies of law or in equity otherwise available to the Company.

17. Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Texas without giving effect to any choice or conflict of law provision or rule, whether of the State of Texas or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Texas.

18. Jurisdiction and Venue. Employee and the Company consent to jurisdiction of the courts of the State of Texas and/or the federal district courts of the State of Texas applicable in the jurisdiction in which the Company's office is located for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Texas and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

19. Headings. The section headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

20. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date first above written.

COMPANY

By:
[Name]
[Title]

EMPLOYEE

Stefan Muehlbauer

EXECUTIVE SERVICE AGREEMENT

PARTIES

LITHIUM HARVEST APS

Tankedraget 7
DK-9000 Aalborg
(the “Company”)

AND

PAW JUUL

[**]
[**]
(the “CTO”)

have today entered into the following Executive Service Agreement (the “Agreement”)

1. POSITION

- 1.1. The CTO will service as Chief Technology Officer of Sustainable Projects Group Inc. and Lithium Harvest ApS with effect from January 14, 2023.

2. DUTIES AND RESPONSIBILITIES

- 2.1. The CTO's duties and responsibilities comprise:

- The CTO is subject to statutory rules and liability responsible to the CEO to perform the duties as CTO of Sustainable Projects Group Inc. and Lithium Harvest ApS. The CTO is responsible for Company's complete R&D and duties as assigned by the CEO.
- The CTO shall appoint and dismiss the Company's technical staff and provide the technical staff with working areas and working authority.
- The CTO shall be reported as CTO to the Danish Commerce and Companies Agency.

- 2.2. The CTO must expect travel activity.

3. OTHER OFFICES HELD DURING THE EMPLOYMENT

- 3.1. The CTO may not without having obtained the written consent of the CEO in each individual case be an active or passive participant in any kind of position, employment or office – whether paid or unpaid.

- 3.2. The CTO may not without having obtained the consent of the CEO be a shareholder, stakeholder or in any other way participate financially in any other undertaking. The CTO is, however, entitled to make investments in assets which are usually subject to such investment of funds.

- 3.3. The CTO must, in compliance with any instructions given by the CEO, join the Board of Directors of the Company's subsidiaries/consolidated companies.

The CTO will not be entitled to any separate cash compensation for such Board positions, but will receive stock grants (if applicable) in line with independent Directors.

4. PLACE OF WORK

- 4.1. The place of work is Tankedraget 7, DK-9000 Aalborg.

- 4.2. The CTO must expect that some of the duties entailed in his position are to be performed at the Company's other domiciles.

5. SALARY AND PENSION

- 5.1. The CTO's annual salary is DKK 2,200,000 (approximately \$300,000) payable monthly in instalments of 1/12 on the last banking day of the month. Each year in December, the first time in 2023, the annual salary will be reviewed with the CEO of Lithium Harvest ApS and may or may not be adjusted.

5.2. The Company pays pension contributions into a pension scheme chosen by the CTO. The Company's pension contribution amounts to 10% of the annual base salary, see the section above. The pension contribution is payable monthly in instalments of 1/12 on the last banking day of the month.

6. BONUS

6.1. Depending on the achievement of certain targets the CTO is eligible to receive an annual bonus, which is earned and paid in accordance with a separate bonus agreement entered into by the Company and the CTO in connection with the budget planning for the financial year. The bonus agreement will allow the CTO to obtain up to 150% of the current annual salary.

6.2. The CTO will be comprised by an individually agreed stock grant agreement, which will allow the CTO to obtain up to 100% of the current annual salary.

7. COMPANY CAR

7.1. The company provides a car to the CTO and will pay for all expenses related to the company car. The tax consequences for the CTO of the private disposal facilities listed above are treated by the Company according to applicable law.

8. OTHER EMPLOYEE BENEFITS

8.1. The Company will, according to agreement with the CTO, make the following

- (a) mobile phone
- (b) computer
- (c) internet connection at the CTO's home address
- (d) relevant trade magazines

freely available to the CTO and will pay all reasonable and usual costs incidental thereto.

8.2. At the Company's request, and without any compensation being offered in this respect, the CTO must in the event that he is released from his duties immediately or at a time to be determined by the Company return all employee benefits, see above.

9. INSURANCE

9.1. In addition to compulsory insurance, the CTO is comprised by the following:

- (a) Preventive health plan or health insurance

9.2. A detailed description of the scheme is available from the Company's employee handbook. Any tax consequences in this respect are irrelevant to the Company.

10. TRAVEL AND ENTERTAINMENT EXPENSES

10.1. The Company will make a company credit card available to the CTO for payment of the CTO's usual and reasonable travel and entertainment expenses incurred while in the service of the Company. The CTO shall regularly submit the required documentation of expenses incurred.

11. EDUCATION AND TRAINING

11.1. The CTO is entitled and obliged to stay up to date in terms of education and training and to participate in relevant supplementary education and training programmes. The Company will, subject to agreement in each individual case, pay the costs incidental thereto.

12. HOLIDAY

12.1. The CTO is covered by the Holiday Act. The CTO is entitled to holiday with pay and to holiday supplements according to the Holiday Act applicable from time to time.

12.2. The CTO is entitled to five discretionary holiday weeks per year. The discretionary holidays will be granted proportionately in case of commencement of service during the holiday year.

Discretionary holidays must be taken as full days off and must be scheduled as per agreement with the Company.

Any discretionary holidays not taken cannot be transferred to the subsequent holiday year and will lapse without compensation at the end of the holiday year or on severance of service.

13. SICKNESS

13.1. The CTO is entitled to pay during sickness.

13.2. In case of sickness rendering the CTO unable to perform his duties, the CTO must inform the CEO of Lithium Harvest ApS.

13.3. The CTO is entitled to time off with pay to care for his own child under the age of 14 on the child's first full sick day. This right is conditional on the CTO not being able to make other arrangements to care for the child, including on the child's other parent not simultaneously exercising a similar right.

14. TERMINATION

14.1. The employment agreement is non-terminable until December 31, 2025, after which date the agreement may be terminated by each party by giving twelve months notice.

15. CONFIDENTIALITY AND DUTY TO RETURN MATERIAL

15.1. The CTO has been made aware of section 3 of the Marketing Practices Act regarding good marketing practices, which implies, among other things, that the CTO may not use knowledge of customers and special business methods in a new position, and of the Trade Secrets Act, which, among other things, contains a prohibition against unauthorised use or disclosure of trade secrets. In case of violation of these provisions, the CTO will be liable to pay an agreed penalty equivalent to six months' salary. Payment of such agreed penalty will not exempt the CTO from his obligations under the Marketing Practices Act and the Trade Secrets Act.

15.2. The CTO must observe confidentiality with respect to any information of which the CTO becomes aware in connection with the performance of his duties as executive officer of the Company, unless, due to its nature, such information must be disclosed to a third party. This duty of confidentiality also applies after the CTO has resigned his position with the Company.

- 15.3. If the CTO resigns his position, irrespective of cause, any and all documents, material and equipment which belongs to the Company or any subsidiary, and which is in the CTO's possession, must be returned to the Company. The CTO cannot exercise any lien in any documents, material, equipment or any other items belonging to the Company.

16. INTERNET AND USE OF E-MAIL

- 16.1. For purposes of performing his duties, the CTO will have access to e-mail and internet through the Company's IT system. The CTO may use these facilities for personal purposes to a limited extent.
- 16.2. The CTO's use of the IT system is registered on the Company's server, but the Company will not check the CTO's use of e-mails and internet on any regular basis. In special situations, for instance in the case of suspected abuse, for security reasons or in connection with the CTO's severance of service, the Company may, however, perform such check.

17. INTELLECTUAL PROPERTY RIGHTS AND KNOW-HOW

- 17.1. Know-how, patent rights, utility model rights, trademark rights, computer programs and the like which the CTO may contribute to conveying to the Company or develop during his employment, and which concern the Company, belong to the Company – whether or not the rights have been registered. The CTO is not entitled to separate remuneration in this respect, as this has been taken into account in the determination of the CTO's remuneration.

18. MISCELLANEOUS

- 18.1. The tax consequences for the CTO of his financial rights under the Agreement are irrelevant to the Company.
- 18.2. The CTO has an obligation to familiarize himself with the guidelines which have been laid down by the Company, and which are regularly updated, including the employee handbook.
- 18.3. In connection with the employment, the Company processes a range of personal data about the CTO. The Company will generally process the data for the purpose of ensuring that the Company complies with its obligations to the CTO under this Executive Service Agreement and the legislation which the Company is required to comply with or for the purpose of documenting the employment relationship history.

19. DISPUTE RESOLUTION

- 19.1. Any dispute arising out of or in connection with this Agreement must be settled in accordance with the Rules of Arbitration Procedure of the Danish Institute of Arbitration.
- 19.2. Each party appoints an arbitrator. The chairman of the arbitration tribunal is appointed by the institute. If a party has not appointed an arbitrator within 30 days of having requested or received notice of arbitration, such arbitrator will be appointed by the institute in accordance with the above-referenced rules.

20. SIGNATURES

20.1. This Agreement is executed in two original copies, both of which are to be signed by the parties. One of the copies is retained by the Company, while the other copy is given to the CTO.

Date: February 14, 2023

Date: February 14, 2023

For and on behalf of the Company

/s/ Sune Mathiesen

Sune Mathiesen - CEO

/s/ Paw Juul

Paw Juul

EXECUTIVE EMPLOYMENT AGREEMENT

PARTIES

Sustainable Projects Group Inc.

2316 Pine Ridge Road

Naples, Florida 34109

(as such entity may be renamed from time to time, including, but not limited to, Lithium Harvest, Inc., the “Company”)

AND

PAW JUUL

[***]

[***]

(the “Executive”)

have today entered into the following Executive Employment Agreement (the “Agreement”)

1. POSITION

1.1. The Executive will serve as the Chief Technology Officer of the Company (“CTO”) commencing as of the effective date of _____, 2023 (“Effective Date”).

2. DUTIES AND RESPONSIBILITIES

2.1. The Executive’s duties and responsibilities including:

- Statutory rules and liability, reporting to the Chief Executive Officer of the Company or his designee (“CEO”) to perform the duties as the CTO. The CTO is responsible for Company’s complete R&D and duties as assigned by the CEO.
- The Executive shall manage the Company’s technical staff and provide the technical staff with working areas and working authority.
- Such other duties and responsibilities as assigned by the Company from time to time.

2.2. The Executive will be expected to travel in connection with the performance of his job responsibilities.

3. OTHER OFFICES HELD DURING THE EMPLOYMENT

3.1. The Executive shall devote his full business time and attention to the business of the Company and may not, without having obtained the written consent of the CEO in each individual case, be an active or passive participant (whether as an employee, consultant, owner, investor, or in any other capacity) in any kind of position, employment or office with any other organization, entity, or on the Executive’s own behalf – whether paid or unpaid.

3.2. The Executive may not, without having obtained the consent of the CEO, be a shareholder, stakeholder or in any other way participate financially in any other undertaking. The Executive is, however, entitled to make investments in assets which are usually subject to such investment of funds, so long as the Executive does not hold more than 5% of a competitive business.

3.3. The Executive must, in compliance with any instructions given by the CEO, join the Board of Directors of the Company’s subsidiaries/consolidated companies.

The Executive will not be entitled to any separate cash compensation for such Board positions, but will receive stock grants (if applicable) in line with independent Directors.

4. PLACE OF WORK

4.1. Executive’s place of work will be the Company’s Houston, Texas office, or such other location designated by the Company from time to time.

4.2. The Executive must expect that some of the duties entailed in his position are to be performed at the Company’s other locations.

5. SALARY AND PENSION

- 5.1. The Executive's annual salary is \$300,000 USD payable monthly in instalments of 1/12 of the salary on the last banking day of the month ("Base Salary"). Each year in December, beginning in 2023, the annual Base Salary will be reviewed by the CEO and may or may not be adjusted.
- 5.2. The Executive will be eligible to participate in the Company's retirement scheme as available to the Executive, subject to the eligibility terms and conditions of such scheme.

6. BONUS

- 6.1. Depending on the achievement of certain targets the Executive is eligible to receive an annual bonus, which is earned and paid in accordance with a separate bonus agreement to be entered into by the Company and the Executive in connection with the budget planning for the financial year. The bonus agreement will allow the Executive to obtain up to 150% of the current annual Base Salary, subject to the terms of such bonus agreement.
- 6.2. The Executive will be eligible to enter into an individually agreed-upon stock grant agreement, which will allow the Executive to obtain stock valued at up to 100% of the current annual Base Salary.

7. COMPANY CAR

- 7.1. The Company will provide a company car to the Executive for use during employment and will pay for all reasonable expenses related to the business use of the company car.

8. OTHER EMPLOYEE BENEFITS

- 8.1. The Company will, according to agreement with the Executive, make the following available to the Executive for the performance of the Executive's job responsibilities:
- (a) mobile phone
 - (b) computer
 - (c) internet connection at the Executive's home address
 - (d) relevant trade magazines

The Company will pay all reasonable and usual costs incidental to these benefits.

- 8.2. In connection with the Executive's initial move to the Company's U.S. office, the Company shall reimburse the Executive for reasonable moving costs to the Houston metropolitan area for Executive and his immediate family, subject to the Executive providing documentation of such reasonable costs as required by the Company.
- 8.3. So long as Executive remains employed by the Company and for up to the initial two consecutive years following the date the Executive relocates to the Houston, Texas area, the Company will reimburse Executive for reasonable housing costs in the Houston, Texas area, up to a total amount of \$5,000 per month.
- 8.4. At the Company's request, and without any compensation being offered in this respect, the Executive must in the event that he is released from his duties immediately or at a time to be determined by the Company return all company equipment, including those provided as employee benefits as outlined above.

8.5. The Executive shall be subject to all applicable taxes related to the Company providing the employee benefits described in this Agreement.

9. INSURANCE

9.1. In addition to any compulsory insurance, the Executive will be entitled to the following:

(a) Preventive health plan or health insurance as made available by the Company from time to time.

9.2. A detailed description of the health insurance scheme will be made available to Company employees.

10. TRAVEL AND ENTERTAINMENT EXPENSES

10.1. The Company will make a company credit card available to the Executive for payment of the Executive's usual and reasonable travel and entertainment expenses incurred while in the service of the Company. The Executive shall regularly submit the required documentation of expenses incurred in accordance with the Company's policies and practices.

11. EDUCATION AND TRAINING

11.1. The Executive is entitled and obliged to stay up to date in terms of education and training and to participate in relevant supplementary education and training programmes. The Company will, subject to prior approval in each individual case, pay the costs incidental thereto.

12. HOLIDAY

12.1. The Executive will be entitled to paid holidays in accordance with the Company's practices as in place from time to time.

12.2. The Executive is entitled to a total of four discretionary holiday (vacation) weeks per year. The discretionary holidays will be accrued proportionately each month based on the Executive's commencement of employment during the holiday year.

Discretionary holidays must be taken as full days off and must be scheduled as per the Company's policies and practices.

Any discretionary holidays not taken cannot be transferred to the subsequent holiday year and will lapse without compensation at the end of the holiday year or upon termination of employment. No discretionary holiday will be paid out upon termination of employment.

13. TERMINATION

13.1. The Company agrees to employ the Executive under this Agreement until December 31, 2025 (the period up to such date, the "Initial Term"), except upon earlier termination of employment as outlined below. Following the Initial Term, this Agreement may be terminated by each party for any reason by, subject to the severance eligibility outlined below. At all times, the Executive's employment under this Agreement shall remain at-will.

14. PAYMENT UPON TERMINATION OF EMPLOYMENT

- 14.1. If Executive's employment is involuntarily terminated during the Initial Term at the initiative of the Company for any reason other than Cause, Executive's death or Disability, then, in addition to such compensation that has been earned but not paid to Executive as of the Executive's Termination Date ("Accrued Compensation"), and subject to the conditions outlined below, the Company will continue to pay Executive his then-current Base Salary for the remainder of the Initial Term. The Company will pay the separation payments under this Section 14.1 to Executive in substantially equal installments in accordance with the Company's regular payroll practices and schedule, commencing on the first payroll date following the Termination Date and continuing for the remainder of the Initial Term; provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the fortieth (40th) calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty (40) days after the Termination Date and included with the installment payable on such payroll date.
- 14.2. If Executive's employment is involuntarily terminated following the Initial Term at the initiative of the Company for any reason other than Cause, Executive's death or Disability, then, in addition to the Accrued Compensation, and subject to the conditions outlined below, the Company will continue to pay Executive his then-current Base Salary for a period of 12 months following the Termination Date. The Company will pay the separation payments under this Section 14.2 to Executive in substantially equal installments in accordance with the Company's regular payroll practices and schedule, commencing on the first payroll date following the Termination Date and continuing for the remainder of the 12-month period following the Termination Date; provided, however, that any installments that otherwise would be payable on the Company's regular payroll dates between the Termination Date and the fortieth (40th) calendar day after the Termination Date will be delayed until the Company's first regular payroll date that is more than forty (40) days after the Termination Date and included with the installment payable on such payroll date.
- 14.3. The Company and Executive intend that the separation pay provided under this Section 14 shall be exempt from Section 409A of the Internal Revenue Code (the "Code") as a "separation pay plan due to involuntary separation from service" under Treas. Reg. § 1.409A-1(b)(9)(iii) and/or a short-term deferral under Treas. Reg. § 1.409A-1(b)(4).
- 14.4. Notwithstanding anything above to the contrary, the Company will not be obligated to provide the separation pay to Executive under Section 14.1 or Section 14.2 unless: (i) Executive (or Executive's personal representative or guardian, as applicable) has signed a release of claims in favor of the Company and its affiliates and related entities, and their directors, officers, insurers, employees and agents, in a form prescribed by the Company; (ii) all applicable rescission periods provided by law for releases of claims have expired and Executive (or Executive's personal representative or guardian, as applicable) has not rescinded the release of claims; and (iii) Executive is in strict compliance with the terms of this Agreement and any other written agreements between the Company and Executive as of the dates of such payments.
- 14.5. For the purposes of this Section 14, the following terms shall have the meaning outlined below:

"Cause" means: (i) any act by Executive that is materially detrimental to the best interests of the Company or that constitutes common law fraud, a felony, or any other criminal act involving moral turpitude; (ii) gross misconduct, material neglect, or any act of disloyalty or dishonesty by Executive related to or connected with Executive's employment by the Company or otherwise likely to cause material harm to the Company or its reputation; (iii) a material violation by Executive of the Company's written policies, codes of conduct, or direction of the Company's Board; (iv) wrongful appropriation by Executive of Company funds or property or other material breach of Executive's fiduciary duties to the Company; or (v) the material breach of this Agreement by Executive, or any other written agreement between the Company and Executive.

"Disability" or "Disabled" means the inability of Executive to perform on a full-time basis the duties and responsibilities of Executive's employment with the Company by reason of Executive's illness or other physical or mental impairment or condition, if such inability continues for an uninterrupted period of one hundred twenty (120) days or more during any one hundred eighty (180) day period. A period of inability is "uninterrupted" unless and until Executive returns to full time work for a continuous period of at least thirty (30) days.

"Termination Date" means the date of Executive's "separation from service" with the Company (including all affiliated organizations, as applicable), within the meaning of section 409A(a)(2)(A)(i) of the Code.

15. CONFIDENTIALITY AND RESTRICTIVE COVENANTS

- 15.1. In consideration of the commitments of the Company under this Agreement, the Executive agrees and hereby enters into the Confidentiality and Restrictive Covenant Agreement attached hereto as Exhibit A.

16. INTERNET AND USE OF E-MAIL

- 16.1. For purposes of performing his duties, the Executive will have access to e-mail and internet through the Company's IT system. The Executive may use these facilities for personal purposes to a limited extent.
- 16.2. The Executive's use of the IT system is registered on the Company's server, but the Company will not check the Executive's use of e-mails and internet on any regular basis. In special situations, for instance in the case of suspected abuse, for security reasons or in connection with the Executive's severance of service, the Company may, however, perform such check.

17. INTELLECTUAL PROPERTY RIGHTS AND KNOW-HOW

- 17.1. Know-how, patent rights, utility model rights, trademark rights, computer programs and the like which the Executive may contribute to conveying to the Company or develop during his employment, and which concern the Company, belong to the Company – whether or not the rights have been registered. The Executive is not entitled to separate remuneration in this respect, as this has been taken into account in the determination of the Executive's remuneration.

18. MISCELLANEOUS

- 18.1. The Company may deduct any tax required under applicable law from the payments made to Executive under this Agreement.
- 18.2. The Executive has an obligation to familiarize himself with the guidelines and policies which have been laid down by the Company, and which are regularly updated, including the employee handbook.
- 18.3. This Agreement shall be governed by the laws of Texas, without regard to any conflict of law provisions thereof.
- 18.4. In connection with the employment, the Company processes a range of personal data about the Executive. The Company will generally process the data for the purpose of ensuring that the Company complies with its obligations to the Executive under this Agreement and the legislation which the Company is required to comply with or for the purpose of documenting the employment relationship history.

19. DISPUTE RESOLUTION

- 19.1. Any dispute arising out of or in connection with this Agreement must be settled in accordance with the applicable rules of arbitration.

20. SIGNATURES

20.1. This Agreement is executed in two original copies, both of which are to be signed by the parties. One of the copies is retained by the Company, while the other copy is given to the Executive.

Date:

Date:

For and on behalf of the Company

Sune Mathiesen - CEO

Paw Juul - Executive

EXHIBIT A

EMPLOYEE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT (this “Agreement”) dated this _____ day of _____, 2023 (the “Effective Date”) by and between Sustainable Projects Group Inc. (as such entity may be renamed from time to time, including, but not limited to, Lithium Harvest, Inc., the “Company”) and Paw Juul (the “Employee”). Each of the Company and Employee hereinafter may be referred to individually as a “Party” or, collectively, as the “Parties.”

In consideration of Employee’s employment with the Company, the compensation and benefits Employee will earn in connection with such employment, the Company providing Employee with access to Confidential Information (as defined below), and other good and valuable consideration, the sufficiency and receipt of which Employee acknowledges, Employee agrees as follows:

1. Confidential Information.

(a) Except as expressly permitted by the Company in writing or as required in the performance of Employee’s duties on behalf of the Company, during Employee’s employment with the Company and thereafter, Employee shall keep confidential and not disclose, divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary, nonpublic or secret knowledge or information of the Company or any of its Affiliates (as defined below) that Employee has acquired or shall acquire during Employee’s employment with the Company or any of its Affiliates, whether developed by Employee or by others, concerning (i) any Trade Secrets (as defined below), (ii) any confidential, proprietary, nonpublic or secret design, process, formula, plan, model, specifications, device or material (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company or any of its Affiliates, (iii) any customer or supplier list of the Company or any of its Affiliates, or any requirements, specifications or other confidential information about or received from any customer or supplier, (iv) any confidential, proprietary, nonpublic or secret development or research work of the Company or any of its Affiliates, (v) any strategic or other business, marketing or sales plan of the Company or any of its Affiliates, (vi) any financial data or plan respecting the Company or any of its Affiliates, or (vii) any other confidential, nonpublic or proprietary information or secret aspects of the business of the Company or any of its Affiliates (collectively, “Confidential Information”).

(b) During Employee’s employment with the Company and thereafter, Employee shall take reasonable steps to protect the confidentiality of Confidential Information.

(c) Employee acknowledges that the above-described Confidential Information constitutes a unique and valuable asset of the Company and its Affiliates and represents a substantial investment of time and expense by the Company and its Affiliates, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and may cause irreparable harm to the Company and its Affiliates. The Parties acknowledge and agree that Employee’s obligations under this Agreement to maintain the confidentiality of the Company’s Confidential Information are in addition to any obligations of Employee under applicable statutory or common law.

(d) The foregoing obligations of confidentiality shall not apply to any Confidential Information to the extent that it (i) is now or subsequently becomes generally publicly known or generally known in the industry in which the Company operates in the form in which it was obtained from the Company (or its applicable Affiliate), (ii) is independently made available to Employee in good faith by a third party who has not violated an obligation of confidentiality to the Company or any of its Affiliates, or (iii) is required to be disclosed by legal process. Nothing contained in the preceding sentence shall be interpreted to legitimize any disclosure of Confidential Information by Employee that occurs prior to any of the events described in items (i) through (iii) of the preceding sentence.

(e) Employee may not be held criminally or civilly liable under any federal or state Trade Secret law for the disclosure of a Trade Secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the Trade Secret except pursuant to a court order.

2. Non-Solicitation. Employee acknowledges that in the course of Employee's employment with the Company and its Affiliates, Employee has and will become familiar with the Company's and its Affiliates' Trade Secrets and with other Confidential Information concerning the Company and its Affiliates and that Employee's services will be of special, unique and extraordinary value to the Company and its Affiliates. Therefore, and in further consideration of the compensation and benefits to be provided to Employee in connection with Employee's employment with the Company, Employee agrees that during Employee's employment with the Company or any Affiliate and for a period of 12 months after the termination of Employee's employment with the Company or any Affiliate (the "Restricted Period"), regardless of the reason for the termination of Employee's employment and whether such termination is at the initiative of Employee or the Company (or any applicable Affiliate), Employee shall not, directly or indirectly, (a) (i) solicit, entice, encourage or induce any person who is then, or was during the then prior 12-month period, an employee, consultant, agent, representative, or other service provider of the Company or its Affiliates ("Protected Party"), to resign or terminate employment or other engagement with the Company or its Affiliates, or become an employee, consultant, agent, representative, or other service provider of any other person, firm or corporation that provides the same or similar products or services (or otherwise competes with the Company or its Affiliates) within any geographic location in which the Company or its Affiliates is doing business or preparing to do business, including any other location in which the Company or its Affiliates conduct or prepares to conduct business during Employee's employment (the "Restricted Territory"), or (ii) approach any such Protected Party for such purpose or authorize or knowingly approve the taking of such actions by any other person, firm or corporation or assist any such person, firm or corporation in taking such action; or (b) solicit, entice, encourage or induce any person or entity who is then, or was during the then prior 12-month period, a customer or client of the Company or its Affiliates, or a party with whom the Company or its Affiliates have contracted for services within the Restricted Territory to terminate, modify, or fail to renew their relationship or contractual arrangement with the Company, or otherwise divert or attempt to divert from the Company or its Affiliates any business the Company or its Affiliates enjoyed, solicited, or attempted to solicit from its customers during or prior to Employee's employment with the Company or its Affiliates.

3. Assignment of Intellectual Property Rights.

(a) Employee acknowledges and agrees that all inventions, technology, research and development techniques or plans and equipment, and processes, research data, innovations, ideas, improvements, developments, methods, designs, analyses, Trade Secrets, trademarks, writings, audiovisual works, concepts, drawings, reports and all similar or derivative information or works, whether or not patentable or subject to copyright, including but not limited to all patents, copyrights, copyright registrations, trademarks, and trademark registrations in and to any of the foregoing, along with the right to practice, employ, exploit, use, develop, reproduce, copy, distribute copies, publish, license or create works derivative of any of the foregoing, and the right to choose not to do or permit any of the aforementioned actions, which relate to the Company's business, research and development or existing or future products or services and which are conceived, developed or made by Employee for the Company Group (as defined below) or while employed by the Company using the Company Group's equipment, supplies, facilities or Trade Secrets (collectively, the "Work Product") are owned by and belong to the Company to the maximum extent permitted by law.

(b) All Work Product created by Employee will be considered "work made for hire," and as such, the Company is the sole owner of all rights, title, and interests therein. All other rights to any new Work Product and all rights to any existing Work Product, including but not limited to all of Employee's rights to any copyrights or copyright registrations related thereto, are hereby conveyed, assigned and transferred to the Company pursuant to this Agreement.

(c) Employee will promptly disclose and deliver such Work Product to the Company and, at the Company's expense, perform all actions reasonably requested by the Company, during or after employment, to establish, confirm and protect such ownership including, without limitation, the execution of assignments, copyright or trademark registrations, consents, licenses, powers of attorney and other instruments.

(d) Employee's assignment of Work Product to the Company under this Section 3 does not apply to any inventions that Employee develops entirely on Employee's own time without using Company's equipment, supplies, facilities, or trade secret information except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to the Company's or any Affiliate's business, or actual or demonstrably anticipated research or development of the Company or its Affiliates, or (ii) result from any work performed by Employee for the Company or its Affiliates.

4. Company Property. Upon request or when Employee's employment with the Company terminates, Employee will immediately deliver to the Company all records, documents, physical property, information, software, databases, computer disks (and other computer-generated files and data) and any other data and records of any kind, and copies thereof, created on any medium (whether written, printed, electronic, magnetic, optical or other media form) and received from, created for, belonging to the Company Group, or pertaining to the business of the Company or its Affiliates, that are in Employee's possession or under Employee's control; provided, however, Employee shall be entitled to retain all records to which Employee is entitled to under law as a direct or indirect equityholder of the Company.

5. At-Will Employment. This Agreement is not a guarantee or promise of employment for a definite period of time, and employee's employment with company is "at-will".

6. Definitions. When used in this Agreement:

(a) "Company Group" means the Company and each of its Affiliates.

(b) "Affiliates" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, subsidiary, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company, including without limitation, Lithium Harvest ApS.

(c) "Trade Secret" means a trade secret as that term is defined under applicable law.

7. Amendment. Any amendments, or alternative or supplementary provisions, to this Agreement, must be made in writing and duly executed by an authorized representative or agent of each of the Parties hereto.

8. Other Agreements. This Agreement constitutes the sole and complete agreement between the Company and Employee concerning the subject matter herein, both oral and written.

9. Successors. This Agreement shall be binding on, and inure to the benefit of, the Company and its successors and assigns and any person acquiring, whether by merger, reorganization, consolidation, by purchase of assets or otherwise, all or substantially all of the assets of the Company.

10. Waiver of Breach. The failure of a Party to insist upon performance of any of the terms, covenants or conditions of this Agreement or to exercise any right or privilege in this Agreement conferred, or the waiver by such Party of any breach of any of the terms, covenants or conditions of this Agreement, shall not be construed as a subsequent waiver of any such terms, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving Party.

11. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and, for purposes of such jurisdiction, such provision or portion thereof shall be struck from the remainder of this Agreement, which shall remain in full force and effect. This Agreement shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the Parties under this Agreement.

12. Waiver of Jury Trial. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LAWSUIT, ACTION OR PROCEEDING SEEKING ENFORCEMENT OF SUCH PARTY'S RIGHTS UNDER THIS AGREEMENT.

13. Specific Enforcement. Employee acknowledges that the restrictions set forth in Section 1 through Section 3 are reasonable and necessary to protect the legitimate business interests of the Company, including without limitation the Company's Trade Secrets, Confidential Information and substantial relationships between the Company and its employees, customers and prospective customers, and that the Company would not have entered into this Agreement in the absence of such restrictions. Employee also acknowledges that any breach by Employee of the restrictions referenced in Section 1 through Section 3 will cause continuing and irreparable injury to the Company for which monetary damages would not be an adequate remedy. Employee shall not, in any action or proceeding to enforce any of the provisions of this Agreement, assert the claim or defense that an adequate remedy at law exists. In the event of such breach by Employee, the Company shall have the right to enforce the provisions of Section 1 through Section 3 by seeking injunctive or other relief in any court, without the necessity of posting a bond, and this Agreement shall not in any way limit remedies of law or in equity otherwise available to the Company.

14. Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement are governed by the laws of the State of Texas without giving effect to any choice or conflict of law provision or rule, whether of the State of Texas or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Texas.

15. Jurisdiction and Venue. Employee and the Company consent to jurisdiction of the courts of the State of Texas and/or the federal district courts of the State of Texas applicable in the jurisdiction in which the Company's office is located for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement or Employee's employment with the Company or the termination of such employment. Any action involving claims for interpretation, breach or enforcement of this Agreement or related to Employee's employment with the Company or the termination of such employment shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Texas and hereby waives any defense of lack of personal jurisdiction or inconvenient forum.

16. Headings. The section headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

17. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date first above written.

COMPANY

By: _____

Sune Mathiesen
Chief Executive Officer

EMPLOYEE

Paw Juul

SUBSIDIARIES OF THE REGISTRANT

<u>Name of Subsidiary</u>	<u>Name of Parent Company</u>	<u>Subsidiary State or Other Jurisdiction of Incorporation or Organization</u>
Yer Brands Inc	Sustainable Projects Group Inc.	Indiana
Lithium Harvest ApS	Sustainable Projects Group Inc.	Denmark

LITHIUM HARVEST APS

Financial Statements

For the year ended December 31, 2021 and the period and December 31, 2020

(Stated in US Dollars)

LITHIUM HARVEST APS

FOR THE YEAR AND PERIOD DECEMBER, 2021 AND 2020

INDEX TO FINANCIAL STATEMENTS

	PAGE
Report of Independent Registered Public Accounting Firm (PCAOB ID 1212)	F-1
Balance Sheets	F-2
Statements of Operation and Comprehensive Income (Loss)	F-3
Statements of Stockholders' Equity	F-4
Statements of Cash Flows	F-5
Notes to the Financial Statements	F-6 to 8

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Lithium Harvest ApS:

Opinion on the Financial Statements

I have audited the accompanying balance sheets of Lithium Harvest ApS (“the Company”) as of December 31, 2021 and 2020 and the related statements of operations and comprehensive income (loss), stockholders’ equity, and cash flows for the year ended December 31, 2021 and the period from incorporation, August 24, 2020 to December 31, 2020 and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and the results of its operations and its cash flows for the year ended December 31, 2021 and the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has limited operations and has sustained operating losses resulting in a deficit. These factors raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. My responsibility is to express an opinion on the Company’s financial statements based on my audits. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audits in accordance with the standards of the PCAOB. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor was I engaged to perform, an audit of its internal control over financial reporting. As part of my audits, I am required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, I express no such opinion.

My audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way my opinion on the financial statements, taken as a whole, and I am not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

I have determined that there are no critical audit matters to communicate in my auditor’s report.

/s/ K.R. MARGETSON LTD.

I have served as the Company’s auditor since 2023.
PCAOB ID No. 1212

North Vancouver BC
February 14, 2023

LITHIUM HARVEST APS
Balance Sheets
(Stated in US Dollars)

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
ASSETS		
Current Assets		
Cash	\$ 6,958	\$ 7,881
TOTAL ASSETS	<u>\$ 6,958</u>	<u>\$ 7,881</u>
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 761	\$ -
Total Liabilities	<u>761</u>	<u>-</u>
Stockholders' Equity		
Common stock – Note 5		
Registered: 50,000 shares of 1 Danish Krone each Issued and outstanding: 50,000 shares	7,940	7,940
Other accumulated comprehensive income (loss)	(268)	315
Accumulated deficit	(1,475)	(374)
Total Stockholders' Equity	<u>6,197</u>	<u>7,881</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 6,197</u>	<u>\$ 7,881</u>

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS
Statements of Operations and Comprehensive Income (Loss)
(Stated in US Dollars)

	Year Ended December 31, 2021	For the period from Incorporation, August 24, 2020 to December 30, 2020
Operating and administrative expenses		
General and administrative expenses	\$ 310	\$ 374
Professional fees	791	-
Total operating and administrative expenses	1,101	374
Net loss for the year (period)	(1,101)	(374)
Other comprehensive income (loss)		
Translation gain (loss)	(583)	315
Comprehensive loss for the year (period)	\$ (1,684)	\$ (59)
Basic and diluted earnings (loss) per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	50,000	50,000

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS.
Statement of Changes in Stockholders' Equity
For the year ended December 31, 2021 and for the Period of Incorporation,
August 24, 2020 to December 31, 2020
(Stated in US Dollars)

	<u>Common Stock</u>		<u>Other</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Accumulated</u>		
		\$	Income (loss)	\$	Equity
			\$	\$	\$
Balance, Incorporation,					
August 24, 2020	50,000	\$ 7,940	\$ -	\$ -	\$ 7,940
Net loss and comprehensive income	-	-	315	(374)	(59)
Balance, December 31, 2020	50,000	7,940	315	(374)	7,881
Net loss and comprehensive loss	-	-	(583)	(1,101)	(1,684)
Balance, December 31, 2021	50,000	\$ 7,940	\$ (268)	\$ (1,475)	\$ 6,197

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS.
Statements of Cash Flows
(Stated in US Dollars)

	For the year ended December 31, 2021	For the period from Incorporation, August 24, 2020 to December 30, 2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss	\$ (1,101)	\$ (374)
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	761	-
Net cash used in operating activities	(340)	(374)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from shares issued	-	7,940
Net cash provided by financing activities	-	7,940
<u>EFFECT OF FOREIGN EXCHANGE ON CASH</u>	(583)	315
Net change in cash	(923)	7,881
Cash at beginning of year	7,881	-
Cash at end of year	\$ 6,958	\$ 7,881
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during year for :		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS
Notes to the Financial Statements
For the year ended December 31, 2021 and the period ended December 31, 2020

Note 1. Organization and Nature of Business

Lithium Harvest ApS (the “Company”) was incorporated in Thisted, Denmark on August 24, 2020. The Company is in its early stages of development since its formation and has not realized any revenues from its planned operations. The Company have developed a new proprietary technology to extract lithium from oilfield waste water to produce battery grade lithium carbonate and lithium hydroxide which are the main ingredient in electric vehicle car batteries and broader battery markets such as green renewable energy.

Note 2. Basis of presentation

The Corporation’s financial statements included herein are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Company has a December 31, year-end.

Functional and Presentation Currency

The Company’s foreign operations are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company uses the Danish Krone as its functional currency and the US Dollar as its presentation currency.

Note 3. Going concern

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Corporation will be able to meet its obligations and continue its operations for next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

The Company has accumulated a deficit of \$1,475 since inception, has yet to achieve profitable operations and further losses are anticipated in the development of its business, raising substantial doubt about the Company’s ability to continue as a going concern. At December 31, 2021, the Company had a working capital of \$6,197. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. There can be no assurance that capital will be available that will be on terms acceptable to the Company. The Company may also seek to obtain short-term loans from the director of the Company. There are no current arrangements in place for equity funding or short-term loans.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company’s. This outbreak could decrease spending, adversely affect demand for the Company’s product and harm the Company’s business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

Note 4. Summary of significant accounting policies

a. Use of Estimates and Assumptions

The preparation of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Due to the limited level of operations, the Company has not had to make material assumptions or estimates other than the assumption that the Company is a going concern.

b. Foreign Currency Translation

The functional currency is translated into US dollars for balance sheet accounts using the current exchange rates in effect as of the balance sheet date and for revenue and expenses accounts using a weighted average exchange during the reporting period. Adjustments resulting from translation are reflected as other accumulated comprehensive gain (loss), a separate component of the stockholder's equity (deficit).

c. Fair Value of Financial Instruments

ASC 825, "Disclosures about Fair Value of Financial Instruments", requires disclosure of fair value information about financial instruments. ASC 820, "Fair Value Measurements" defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2021.

Due to the effect of COVID-19, certain financial assets and liabilities may not longer have inputs to justify its fair value level classification in the fair value hierarchy. In these cases, the Company may be required to use different inputs or sources of input to reclassify fair value measurements. However, COVID-19's current and foreseeable impact on the Company's fair value measurement is immaterial as the fair values of the Company's financial instruments were assumed to approximate carrying values of on-balance-sheet financial instruments since they are short term in nature. These financial instruments include cash, accounts payable, and related party loan payable.

d. Earnings per Share

ASC No. 260, "Earnings Per Share", specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC No. 260.

Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company.

e. Income taxes

The Company follows the guideline under ASC Topic 740 Income Taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates, applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Since the Company is in the developmental stage and has losses, no deferred tax asset or income taxes have been recorded in the financial statements. There are no uncertain tax positions as at December 31, 2021 and 2020.

f. Recently Issued Accounting Guidance

The Company has evaluated all the recent accounting pronouncements through the date the financial statements and believe that none of them will have a material effect on the company's financial statements.

Note 5. Common stock

On incorporation, August 24, 2020, the Company issued 50,000 shares for gross proceeds of 50,000 Danish Krone. The value in US dollars at that time was \$7,940.

There have been no warrants or options issued.

Note 6. Income taxes

Income tax expense and recovery differs from that which would be expected from applying the effective tax rates to the net income (loss) for the years ended December 31, 2021 and 2020 for the Company is as follows:

	December 31, 2021	December 31, 2020
Net loss	\$ (1,101)	\$ (374)
Statutory and effective tax rate	22%	22%
Income tax expense (recovery) at the effective rate	(242)	(82)
Tax benefit (liability) deferred	242	82
Income tax expense (recovery)	\$ -	\$ -
	December 31, 2021	December 31, 2020
Tax losses carried forward	\$ 475	\$ 374
Statutory and effective tax rate	22%	22%
Deferred tax asset	242	82
Valuation allowance	(242)	(82)
Net deferred asset	\$ -	\$ -

Note 6. Subsequent events

On November 12, 2022, the Company entered into a Letter of Intent ("LOI") with Sustainable Projects Group, Inc., a US company listed on the over-the-counter public stock exchange whereby Sustainable Projects Group, Inc. will acquire the Company as a wholly owned subsidiary by issuing \$80,600,221 shares in its common stock. The LOI is non-binding and subject to various terms and conditions, including but not limited to, shareholder and US exchange approvals, audits, and due diligence review.

Exhibit 99.2

LITHIUM HARVEST APS

Financial Statements

Unaudited

For the Three and Nine Months Ended September 30, 2022

(Stated in US Dollars)

LITHIUM HARVEST APS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022
UNAUDITED

INDEX TO FINANCIAL STATEMENTS

	<u>PAGE</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID 1212)	F-1
Balance Sheets	F-2
Statements of Operation and Comprehensive Loss	F-3
Statements of Stockholders' Equity (Deficit)	F-4
Statements of Cash Flows	F-5
Notes to the Financial Statements	F-6 to 8

K. R. MARGETSON LTD.
331 East 5th Street
North Vancouver BC V7L 1M1
Canada

Chartered Professional Accountant
Tel: 604.220.7704
Fax: 1.855.603.3228

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Lithium Harvest ApS:

Results of Review of Interim Financial Statements

I have reviewed the accompanying Interim Balance Sheets of Lithium Harvest ApS as of September 30, 2022 and for the three-month and nine-month periods then ended, and the related notes, (collectively referred to as the “interim financials statements”). Based on my review, I am not aware of any material modifications that should be made to the accompanying interim financial statements or them to be in conformity with accounting principles generally accepted in the United States of America.

Basis for Review Results

These interim financial statements are the responsibility of the Company’s management. I conducted my review in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

/s/ K.R. MARGETSON LTD.

North Vancouver BC
February 14, 2023

LITHIUM HARVEST APS
Interim Balance Sheets (Stated in US Dollars)
Unaudited

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Current Assets		
Cash	\$ 35	\$ 6,958
Sundry taxes receivable	1,299	-
Prepaid expenses	105	-
TOTAL ASSETS	<u>\$ 1,439</u>	<u>\$ 6,958</u>
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,929	\$ 761
Total Liabilities	<u>3,929</u>	<u>761</u>
Stockholders' Equity (Deficit)		
Common stock – Note 5		
Registered: 50,000 shares of 1 Danish Krone each Issued and outstanding: 50,000 shares	7,940	7,940
Other accumulated comprehensive loss	(435)	(268)
Accumulated deficit	(9,995)	(1,475)
Total Stockholders' Equity (Deficit)	<u>(2,490)</u>	<u>6,197</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 1,439</u>	<u>\$ 6,958</u>

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS
Interim Statements of Operations and Comprehensive Loss
(Stated in US Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	<u>Sep 30 2022</u>	<u>Sep 30 2021</u>	<u>Sep 30 2022</u>	<u>Sep 30 2021</u>
Operating and administrative expenses				
General and administrative expenses	\$ 656	\$ -	\$ 1,520	\$ 241
Management fees	-	-	4,285	-
Professional fees	2,572	-	2,715	-
Total operating and administrative expenses	<u>3,228</u>	<u>-</u>	<u>8,520</u>	<u>241</u>
Net loss for the period	<u>(3,228)</u>	<u>-</u>	<u>(8,520)</u>	<u>(241)</u>
Other comprehensive loss				
Translation gain/(loss)	<u>79</u>	<u>(278)</u>	<u>(167)</u>	<u>(446)</u>
Comprehensive loss for the period	<u>\$ (3,149)</u>	<u>\$ (278)</u>	<u>\$ (8,687)</u>	<u>\$ (687)</u>
Basic and diluted loss per share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Weighted average number of common shares outstanding	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS.
Interim Statement of Changes in Stockholders' Equity (Deficit)
For the Nine-month period ended September 30, 2022 and 2021

(Stated in US Dollars)

	<u>Common Stock</u>		<u>Other Comprehensive Income (loss)</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount \$</u>			
Balance, December 31, 2021	50,000	\$ 7,940	\$ (268)	\$ (1,475)	\$ 6,197
Net loss and comprehensive loss	-	-	(167)	(8,520)	(8,687)
Balance, September 30, 2022	50,000	\$ 7,940	\$ (435)	\$ (9,995)	\$ (2,490)

	<u>Common Stock</u>		<u>Other Comprehensive Income (loss)</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount \$</u>			
Balance, December 31, 2020	50,000	\$ 7,940	\$ 315	\$ (374)	\$ 7,881
Net loss and comprehensive loss	-	-	(446)	(241)	(687)
Balance, September 30, 2021	50,000	\$ 7,940	\$ (131)	\$ (615)	\$ 7,194

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS.
Interim Statements of Cash Flows
(Stated in US Dollars)

	<u>For the Nine-month Period Ended September 30, 2022</u>	<u>For the Nine-month Period Ended September 30, 2021</u>
Cash Flows from Operating Activities		
Net loss	\$ (8,520)	\$ (241)
Changes in operating assets and liabilities:		
Sundry taxes	(1,299)	-
Prepaid expenses	(105)	-
Accounts payable and accrued liabilities	3,168	-
Net cash used in operating activities	<u>(6,756)</u>	<u>(241)</u>
Effect of Foreign Exchange on Cash	<u>(167)</u>	<u>(446)</u>
Net change in cash	(6,923)	(687)
Cash at beginning of year	<u>6,958</u>	<u>7,881</u>
Cash at end of year	<u>\$ 35</u>	<u>\$ 7,194</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during year for :		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements.

LITHIUM HARVEST APS
Notes to the Interim Financial Statements
For the Three-month and Nine-month Periods Ended September 30, 2022

Note 1. Organization and Nature of Business

Lithium Harvest ApS (the “Company”) was incorporated in Thisted, Denmark on August 24, 2020. The Company is in its early stages of development since its formation and has not realized any revenues from its planned operations. The Company have developed a new proprietary technology to extract lithium from oilfield waste water to produce battery grade lithium carbonate and lithium hydroxide which are the main ingredient in electric vehicle car batteries and broader battery markets such as green renewable energy.

Note 2. Basis of presentation

The Company’s interim financial statements included herein are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, results of operation and cash flows for the interim periods presented. All adjustments are of a normal recurring nature. Operating results for the period ended September 30, 2022 are not necessarily indicative of the results that can be expected for the year ended December 31, 2022.

The Company has a December 31, year-end.

Functional and Presentation Currency

The Company’s foreign operations are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company uses the Danish Krone as its functional currency and the US Dollar as its presentation currency.

Note 3. Going concern

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Corporation will be able to meet its obligations and continue its operations for next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

The Company has accumulated a deficit of \$9,995 since inception, has yet to achieve profitable operations and further losses are anticipated in the development of its business, raising substantial doubt about the Company’s ability to continue as a going concern. At September 30, 2022, the Company had a working capital deficit of \$2,490. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. There can be no assurance that capital will be available that will be on terms acceptable to the Company. The Company may also seek to obtain short-term loans from the director of the Company. There are no current arrangements in place for equity funding or short-term loans.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company’s. This outbreak could decrease spending, adversely affect demand for the Company’s product and harm the Company’s business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

Note 4. Summary of significant accounting policies

a. Use of Estimates and Assumptions

The preparation of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Due to the limited level of operations, the Company has not had to make material assumptions or estimates other than the assumption that the Company is a going concern.

b. Foreign Currency Translation

The functional currency is translated into US dollars for balance sheet accounts using the current exchange rates in effect as of the balance sheet date and for revenue and expenses accounts using a weighted average exchange during the reporting period. Adjustments resulting from translation are reflected as other accumulated comprehensive gain (loss), a separate component of the stockholder's equity (deficit).

c. Fair Value of Financial Instruments

ASC 825, "Disclosures about Fair Value of Financial Instruments", requires disclosure of fair value information about financial instruments. ASC 820, "Fair Value Measurements" defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2021.

Due to the effect of COVID-19, certain financial assets and liabilities may not longer have inputs to justify its fair value level classification in the fair value hierarchy. In these cases, the Company may be required to use different inputs or sources of input to reclassify fair value measurements. However, COVID-19's current and foreseeable impact on the Company's fair value measurement is immaterial as the fair values of the Company's financial instruments were assumed to approximate carrying values of on-balance-sheet financial instruments since they are short term in nature. These financial instruments include cash, accounts payable, and related party loan payable.

d. Earnings per Share

ASC No. 260, "Earnings Per Share", specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC No. 260.

Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company.

e. Income taxes

The Company follows the guideline under ASC Topic 740 Income Taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates, applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Since the Company is in the developmental stage and has losses, no deferred tax asset or income taxes have been recorded in the financial statements. There are no uncertain tax positions as at December 31, 2021 and 2020.

f. Recently Issued Accounting Guidance

The Company has evaluated all the recent accounting pronouncements through the date the financial statements and believe that none of them will have a material effect on the company's financial statements.

Note 5. Common stock

On incorporation, August 24, 2020, the Company issued 50,000 shares for gross proceeds of 50,000 Danish Krone. The value in US dollars at that time was \$7,940.

There have been no warrants or options issued.

Note 6. Subsequent events

On November 12, 2022, the Company entered into a Letter of Intent ("LOI") with Sustainable Projects Group, Inc., a US company listed on the over-the-counter public stock exchange whereby Sustainable Projects Group, Inc. will acquire the Company as a wholly owned subsidiary by issuing \$80,600,221 shares in its common stock. The LOI is non-binding and subject to various terms and conditions, including but not limited to, shareholder and US exchange approvals, audits, and due diligence review.

Pre-Reverse Takeover Pro Forma Consolidated Balance Sheet
Sustainable Projects Group Inc.
September 30, 2022
Unaudited

	Cons SPG Sep 30 2022	Lithium Sep 30 2022	Pro Forma Adjusting Entries	Pro Forma Consolidated Sep 30 2022
As at				
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 21,675	\$ 35		\$ 21,710
Other receivables	-	1,299		1,299
Inventory -	3,939	-		3,939
Prepaid expenses	2,036	105		2,141
	<u>27,650</u>	<u>1,439</u>		<u>29,089</u>
Office Equipment	1,042	-		1,042
Intangible assets	71,468	-		71,468
Goodwill	156,752	-	9,729,562 (a)	<u>9,886,314</u>
TOTAL ASSETS	<u>\$ 256,912</u>	<u>\$ 1,439</u>		<u>\$ 9,987,913</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 143,671	\$ 3,929		\$ 147,600
Amount due to directors	116,684	-		116,684
Convertible Note	125,000	-	(125,000) (b)	-
Interest payable	18,705	-	(12,425) (b)	6,280
TOTAL CURRENT LIABILITIES	<u>404,060</u>	<u>3,929</u>		<u>270,564</u>
NON-CURRENT LIABILITIES				
Notes payable	<u>\$ 50,000</u>	<u>\$ -</u>		<u>\$ 50,000</u>
TOTAL NON-CURRENT LIABILITIES	<u>50,000</u>	<u>-</u>		<u>50,000</u>
TOTAL LIABILITIES	<u>\$ 454,060</u>	<u>\$ 3,929</u>		<u>\$ 320,564</u>
Commitments and Contingencies	\$ -	\$ -		\$ -
STOCKHOLDERS' EQUITY				
Common Stock Par Value: \$0.0001 Authorized 500,000,000 shares Common Stock Issued: 8,725,877	\$ 872	\$ 7,940	19,907 (a),(b)	\$ 28,719
Additional Paid in Capital	3,112,131	-	9,632,413 (a),(b)	11,744,544
Accumulated Deficit	(3,310,151)	(9,995)	1,214,667 (b)	(2,105,479)
Accumulated other comprehensive income (loss)	-	(435)		(435)
TOTAL STOCKHOLDERS' EQUITY	<u>(197,148)</u>	<u>(2,490)</u>		<u>9,667,349</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 256,912</u>	<u>\$ 1,439</u>	19,459,124	<u>\$ 9,987,913</u>

Pre-Reverse Takeover Pro Forma Statement of Operations
Sustainable Projects Group Inc.
For the Nine Months Ended September 30, 2022
Unaudited

	<u>Lithium Sep 30 2022</u>	<u>Pro Forma Adjustments</u>	<u>Final Sep 30 2022</u>
Revenues	\$ -		\$ -
Gross Revenues	-		-
Cost of Goods Sold	-		-
Gross Margin			
Operating Expenses			
Administrative and other operating expenses	\$ 1,520	-	\$ 1,520
Depreciation		-	-
Financing fees	-	2,089,204 (b)	2,089,204
Management fees	4,285	-	4,285
Professional fees	2,715	-	2,715
	<u>8,520</u>	<u>2,089,204</u>	<u>2,097,724</u>
Net loss/gain and comprehensive loss/gain	<u>\$ (8,520)</u>	<u>(2,089,204)</u>	<u>\$ (2,097,724)</u>
Net loss and comprehensive loss Translation	<u>(167)</u>		<u>(167)</u>
Net Gain/loss and comprehensive loss allocated to shareholders	<u>\$ (8,687)</u>	<u>(2,089,204)</u>	<u>\$ (2,097,891)</u>

Sustainable Projects Group Inc.
Notes to the Unaudited Consolidated Pre-Reverse Takeover Pro Forma Financial Statements
For the Nine Months Ended September 30, 2022
Unaudited

Note 1 – Description of Transaction and the Basis of Presentation

The unaudited pre-reverse takeover pro forma consolidated balance sheet combines the consolidated historical balance sheet of Sustainable Projects Group, Inc. (the “Company”) and the historical balance sheet of Lithium Harvest ApS at September 30, 2022, giving effect to a Letter of Intent (“LOI”) dated November 12, 2022 in which Sustainable Projects Group Inc. acquires Lithium Harvest, ApS, (“Subsidiary”) a Denmark corporation. Under the terms of the LOI the Company is to issue 206,667,233 common stock of the Company to the shareholders of Lithium Harvest ApS. In accordance with US generally accepted account principles (“US GAAP”), the transaction has been calculated using \$0.0311 per share, the stock price of the Company, at September 30, 2022, which provided a fair value of the purchase of \$6,427,351. As the share issuance represents a change of control, and as the Company is a business, the transaction is accounted for as a reverse merger as described below. The Company, as the legal acquirer, becomes the accounting acquiree and Lithium Harvest, the legal acquiree, becomes the accounting acquirer.

The pre-reverse takeover pro forma consolidated balance sheet presented herein reflects the effects of the Reverse Merger, (collectively the “Transactions”) as if they had been completed on September 30, 2022. The following unaudited pro forma statement of operations was the historical statement of operations of Lithium Harvest ApS for the nine months ended September 30, 2022, after giving effect to the Pro Forma Adjustments, noted below. The historical financial information has been adjusted to give effect to pro forma events that are directly attributable to the Transactions and factually supportable.

The following information should be read in conjunction with the pre-reverse takeover pro forma consolidated financial statements.

- Accompanying notes to the unaudited pre-reverse takeover pro forma consolidated financial statements
- Separate historical financial statements of Sustainable Projects Group, Inc. for the nine months ended September 30, 2022 as filed in its quarterly report on Form 10-Q with the Securities and Exchange Commission
- Separate historical financial statements of Lithium Harvest ApS for the nine months ended September 30, 2022 included herewith

The unaudited pre-reverse takeover pro forma consolidated financial statements are presented for informational purposes only. The pro forma information is not necessarily indicative of what the financial position or results of operations actually would have been had the Transactions been completed at the dates indicated. In addition, the unaudited pre-reverse takeover pro forma consolidated financial statements do not purport to project the future financial position or operating results of the combined company.

The unaudited pre-reverse takeover pro forma consolidated financial statements were prepared using the reverse acquisition application method of accounting as described in ASC 805-40, with Lithium Harvest ApS treated as the acquiror for accounting and financial reporting purposes. Accordingly, the unaudited pre-reverse takeover pro forma consolidated financial statements are presented as a continuation of Lithium Harvest ApS financial statements with an adjustment to reflect the issued equity capital of the former Sustainable Projects Group Inc., the legal parent, including the equity issued by the Company to effect the business combination.

Note 2 – Pro Forma Adjustments

There were no inter-company balances and transactions between Sustainable Projects Group Inc. and Lithium Harvest ApS as of the dates and for the periods of these pre-reverse takeover pro form as combined financial statements.

The pre-reverse takeover pro forma adjustments included in the unaudited pro forma consolidated financial statements are as follows:

- (a) Although the LOI stated a share price of \$0.39, these pro forma financial statements have been presented using the price per share of \$0.0311, which was the market price of the shares as September 30, 2022. This price will need to be adjusted to the fair value at the time of a definitive agreement, should the parties finalized the transaction. The calculation below is based on the September 30, 2022 price per share of \$0.0311:

$$206,667,233 \times \$0.0311 \text{ per share} = \$6,427,351$$

Shares to be issued to Lithium Harvest

	\$	\$
Common shares		20,667
Additional Paid In Capital		6,406,684
Equity of Lithium	7,940	
Goodwill	9,729,562	
Accumulated deficit SPG		3,310,151

- (b) Pursuant to the loan agreement with Kestrel Flight Fund LLC., the outstanding principal of \$125,000 plus accrued interest thereof may be converted to common shares of the Company to an amount equal to 25% of the fully diluted capitalization of the Company on a post money basis. As such, the pre-reverse takeover transaction was calculated using the below formula and using the stock price of \$0.0311 per share valuation. The total number of shares to be issued to Kestrel Flight Fund LLC will be 71,797,703 shares.

$$71,797,703 \times \$0.0311 \text{ per share} = \$2,232,909$$

Conversion of loans to shares equating to 25% of fully diluted

	\$	\$
Common shares		7,780
Additional Paid In Capital		2,225,729
Convertible loan	125,000	
Interest payable	12,425	
Finance charge	2,095,484	

The formula used to calculate the number of shares to be issued to Kestrel Flight Fund LLC was:

$$Ks = \frac{(Ls + Ss)}{(1 - 25\%)} - (Ls + Ss)$$

Ks = Kestrel conversion shares

Ls = Lithium Harvest ApS shares

Ss = Sustainable Projects Group shares