SPARTA CAPITAL LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
("MD&A")

FOR THE THREE AND TWELVE MONTH PERIODS

ENDED SEPTEMBER 30, 2020

Dated January 28, 2020

390 Bay Street, Suite 1202
Toronto, ON M5H 2Y2
www.spartagroup.ca

The following management's discussion and analysis ("MD&A") explains the variations in the consolidated operating results, financial position and cash flows of Sparta Capital Ltd. ("Sparta", "Sparta Group", the "Company", the "Corporation", "We", "Us" or "Our") for the three and twelve months ended September 30, 2020. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended September 30, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company's accounting policies under IFRS are set out in Note 4 of the audited consolidated financial statements for the years ended September 30, 2020 and 2019.

All amounts are in Canadian dollars.

The discussion in this management's discussion and analysis focuses on this year.

Forward Looking Statements and Risks

Certain statements included in this discussion may constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include changes in government regulations, general economic conditions and business conditions, ability to raise debt or equity financing as required to fund operations, ability to convert long term investments into cash through the sale of all or part of investments, foreign currency exposure, supplier constraints, transportation constraints, emissions standards, fuel prices, product quality and safety, alternative and competing products, protection of intellectual property, the findings resultant to due diligence programs, the results of product certification testing, the ability to attract and retain employees, sales agents and service personnel in Canada and in international markets, the actions of current and future competitors, future claims or litigation, the speculative nature of product research and development, and other factors that may affect demand for the Corporation's products and services and the ability of the Corporation to implement its business strategy and/or generate profit.

The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast", "is to be", "intend", "anticipate" and similar expressions are intended to identify forward-looking statements. Although Sparta has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Sparta does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Overview

As the worldwide scramble to fight COVID-19 began, many people finally realized how connected we are globally. Every country, in every corner of our world is weighing in, sharing knowledge, and pushing science and logistics to the limits to address the deadly virus. What could be more important than working together for the good health of humankind. This realization has also led many academics and scientists to compare the pandemic to climate change, as it too is a global threat. In fact, there is much speculation that as we come out of the pandemic, more people will be focused on the environment to a degree that we have never seen before. Both public health and global climate officials have pointed out that there is a real connection between climate change and pathogens. They say that many of the causes of climate change also increase the risk of pandemics.

Sparta Group and its various company verticals have been incubating much-needed energy solutions to be provided to commercial and industrial clients, so they can reduce their energy consumption, transform waste, lower their carbon footprint, save money and contribue to a cleaner, greener planet. As our customers benefit from our environmental technologies, in light of the worldwide pandemic, we also felt that we owed it to them to provide them with the ability to stay competitive, despite the Coronavirus, and help them prepare for what we believe will be a new world with a stronger "eco-consciousness".

- One of the first steps we took when our international contacts reported COVID-19 in their countries, was to review our cash flow and cash management plan so as to remain stable in the event that Canada would be hit hard. Even with the pandemic, our Company has continued to operate because it had already carried out some of the steps involved in business continuity management. The next step was to help other businesses secure much-needed personal protective equipment (PPE).

- We quickly established a process to streamline the acquisition of PPE for customers in various sectors, including the health and wellness sector.
- Meanwhile our TruckSuite™ Canada division, which was formed in the second quarter, just around the time everyone first learned about the onset of COVID-19, expanded its product offering to include a special Warranty Financing and Repair Financing program to help take the stress out of owning/operating in the trucking industry. In addition, our TruckSuite™ entity is now well into the co-development of a line of antimicrobial formulations and delivery systems along with some very sophisticated, health related tracking applications, all specifically developed to protect truckers from harmful pathogens.
- In August 2020, Sparta added COVID-19 safety tools for application in the trucking sector and signed an MOU with Datapult Inc., designers of the Achu Health App. Together Sparta and Datapult are working on integrating Datapult's technology into TruckSuites™ TreeFrog™ vehicle monitoring system so both the health of the truck and the health of the driver can be monitored and managed.
- The following month (November 2020) we announced that our ReECO Tech Electronic Conversions/ERS International division, was uniquely positioned to deal with Ontario's new strict recycling regulations that came into effect January 1, 2021. Our e-waste division is one of few certified by the Resource Productivity and Recovery Authority (RPRA) to address the new regulations that require all electronic manufacturers/producers to collect and safely manage the full life-cycle of their electronic equipment.
- Our plans in plastic conversions are still an important focus as well, and as our other divisions grow and prosper, we plan to further expand in the area of diverting and sequestering of GHG emissions.
- Recently (January 2021) Sparta announced that the property it secured some years ago, was closer to being transformed into a desirable community, with ample green zones to promote clean living. Thanks to a development agreement with FLC Group, the land situated in the beautiful countryside of Prince Edward County is slated to break ground this summer (2021).

As Sparta continues to examine further opportunties to add new technologies and services to its energy-efficient and waste transformation offerings, the Company will continue to look at opportunities to meet the new demands that have arisen due to the worldwide pandemic.

While plastic conversion will always be an important focus for Sparta, the company continues its upcycling efforts in other verticals to further expand its diversion and sequestration of GHG emissions. Through adaptable product and service offerings the company has not only addressed a wide range of issues, it has and will continue to secure additional sources of waste materials, including plastic.

In addition, in response to the dawning of a new world (COVID-19), Sparta has expanded its technical solutions to include pathogen fighting, and wellness applications. As well, the company has established a health specific division, Sparta Health Group, to expand our COVID-19 related wellness offering to additional market verticals, other than just trucking. After all, there is no point having a green, clean world if we don't have healthy people to live in it.

Under the Sparta Group^{TM} brand, Sparta still has three existing divisions. These include:

- **Sparta Energy Capture & Upcycle - a.k.a. Illumineris** is the collective term for a group focused on upcycling "lost" or "wasted" energy. Illumineris provides a complimentary suite of technologies to assist its commercial and industrial clients in receiving value from wasted sources of energy within their existing power systems; with zero cost outlay. This includes; peak power mitigation systems through energy storage technology - eliminating black-out and brown-out conditions while significantly reducing global adjustment charges; power-factor and harmonic mitigation that brings plant voltages and currents back in sync while cleaning the electronic power systems - reducing costs through efficiencies and maintenance; LED lighting retrofits - cutting consumption by 60% - 80%; photoluminescent safety products that provide required safety lighting systems with zero energy costs; and IoT (Internet of Things) monitoring systems that can measure, monitor and optimize various energy systems in commercial and manufacturing facilities; all intended to help reduce power losses and corresponding costs.
- **Sparta Material Upcycling - a.k.a. Re-ECO Tech** is the collective term for a group of conversion technology companies that collect waste materials with a focus on upcycling such waste streams into new environmentally valuable materials that are not only beneficial to our planet but are economically feasible as well. Re-ECO Tech's services provide viable options for helping manufacturers reduce waste, save resources, save money and lower their carbon footprint. This includes; Re-ECO Tech Electronics Ltd. ("Re-ECO Tech Electronics") (o/s ERS-International)

- an electronics recycling company focusing on upcycling end-of-life electronic components resulting from our ever-increasing rate of change in electronic technology, Re-ECO Tech Conversion (where Sparta now holds a minority position) **-** focuses on sequestering $C0_2$ emissions through waste diversion and converting biomass waste into consumables and Re-ECO Tech Property (where Sparta now holds a minority position) **-** is a division focused on investing in early stage property development where the Corporation can look to utilize earnings together with existing synergies to implement the technologies from other business units into "smart", net-zero ready, environmentally responsible community developments; designed with concern for our planet in mind.

- **Sparta Innovation - a.k.a. SuperNova** is focused on cutting-edge green initiatives, especially related to combustion, the transportation sector and storage technology. SuperNova, opens up new opportunities and initiatives and will look to explore new ventures including, but not limited to, extraction of energy from base minerals, efficient products capable of powering novel generation systems and gas to electricity conversion. Under the SuperNova banner also resides the newly formed TruckSuite Canada division, which is a technology-driven support program that provides fleet Owners/Operators with many of the necessary tools to be competitive in their market. TruckSuite™ offers comprehensive maintenance, including roadside emergency assistance; emergency repair with competitive pricing for parts and labour; complete warranty coverage; as well as TripVision®, an integrated vehicle health and safety management system that presents vital information in an easy-to-understand format saving both time and money. In short, TruckSuite™ encourages driver retention between the fleet and independent owner/operator. Also under the SuperNova banner resides the the newly formed Sparta Health Group company. Sparta Health was initially established to provide a more streamlined process for accessing PPE (Personal Protective Equipment), so as to save time and stress for many in the most vulnerable sectors, but has expanded to help bring solutions developed within our TruckSuite™ division to additional market verticals.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Corporation will realize its assets and discharge its liabilities in the normal course of business.

For the year ended September 30, 2020 the Corporation has incurred a net loss from operations of $631,707 (2019 $867,506) and has a working capital deficit of $1,298,193 (2019 **-** $2,497,778) and positive cash flow from operations of $8,594 (2019 – negative cash flow from operation $576,229).

In order to meet the Corporation's future working capital requirements it will be required to attract additional funds through the issue of debt or equity. The Corporation's management will continue to consider various alternatives to finance the Corporation's operations and activities within the context of existing market conditions. Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution.

There can be no assurance that capital will be available as necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to the Corporation. The issuances of additional equity securities by the Corporation may result in significant dilution to the equity interests of its current shareholders. If the Corporation is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then material adjustments could be necessary to the balance sheet classifications and carrying values of assets and liabilities.

During the year, the Corporation completed an equity financing by issuing 10,000,000 common share units at $0.025 per unit for gross proceeds of $250,000 and warrants related to this share issue were exercised resulting in the issue of 965,500 common shares for gross proceeds of $48,275. In addition, the Corporation issued 10% convertible debentures for gross proceeds of $180,000.

Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, and the balance sheet classifications used which could be material.

Further information related to the Corporation is filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be reviewed at www.sedar.com.

Ove`rall Performance

It has been a positive year for the Corporation, in spite of the COVID-19 pandemic that was thrust upon us. The Corporation has continued to serve and expand its client base;

- Helping companies optimize energy
- Providing energy efficient lighting solutions
- Upcycling mountains of electronics
- Helping e-waste clients easily conform to new Ontario e-waste regulations
- Conducting comprehensive energy audits
- Moving closer to breaking ground on a green, clean community with partner FLC Group.
- Expanding offerings under TruckSuite ™Canada division
- Moving closer to transforming waste plastic into eco-fuel products on an industrial scale
- Taking steps to help truckers, including school bus drivers, stay safe during uncertain times, like COVID-19
- Taking steps to help in the fight against COVID- 19 in various business sector, including health.

Sparta will continue to seek further upcycling opportunities along with additional complimentary waste-streams to support the upcycling efforts; all of which will continue to attract additional media attention. In support of the media attention we have recently been garnering, the company will be enhancing its communications platforms, including its e-blast facilities, social media distribution platforms and traditional media platforms; all in an effort to better inform present and future stakeholders about the good Sparta is doing. The Corporation will also look to leverage its sales and marketing channels to distribute complementary products while looking to secure appropriate intellectual property to enhance the business interests of its divisions. Finally, the Corporation intends on an ongoing basis, to assess product performance and market acceptance of other innovative technologies suitable to the Corporation's established distribution network and executive team. Announcements about any new Sparta products and ventures will be made following the Corporation's comprehensive due diligence processes.

Selected Financial Information

The following table is a summary of selected financial information derived from the Corporation's audited financial statements for the years ended September 30 prepared in accordance with IFRS:

	2020	2019	2018
	$	$	$
Total Assets	3,028,310	2,865,311	8,457,280
Total Non-Current Financial Liabilities	792,238	330,955	53,404
Revenues	5,277,329	11,010,599	11,331,170
Net income (loss), attributable to:			
Shareholders	(848,420)	(680,331)	(957,236)
Non controlling interests	12,008	(165,921)	(1,224,093)
Total	(836,412)	(846,252)	(2.181,329)
Basic and diluted net loss per share	(0.005)	(0.005)	(0.013)
	Common Shares	Common Shares	Common Shares
Weighted average number outstanding	185,787,389	181,898,423	169,568,580

For the year ended September 30, 2020, the Corporation reported no discontinued operations and declared no cash dividends.

Summary of Quarterly Results

The quarterly financial information for the eight most recently ended quarters are as follows:

	Q4 September 30, 2020	Q3 June 30, 2020	Q2 March 31, 2020	Q1 December 31, 2019	Q4 September 30, 2019	Q3 June 30, 2019	Q2 March 31, 2019	Q1 December 31, 2018
Net Income (Loss)	(440,462)	(449,298)	212,716	(159,368)	(493,894)	(18,801)	(279,425)	(54,133)
Earnings (Loss) per Share	(0.002)	(0.002)	0.001	(0.000)	(0.003)	(0.000)	(0.002)	(0.000)
Total Assets	3,028,310	2,002,772	2,511,420	2,157,441	2,865,311	2,865,671	2,939,859	3,320,612
Total Liabilities	3,531,117	2,600,614	2,784,964	2,643,701	5,021,585	4,933,674	4,989,062	5,141,539

All periods within the summary of quarterly results have been prepared in accordance with IFRS.

Variances in net loss by quarter is not cyclical or seasonal and reflect overall corporate activity and factors which do not recur each quarter, such as travel, due diligence, professional and regulatory fees.

Results of Operations

Overall for the year ended September 30, 2020 and 2019 respectively the Corporation had a loss from operations of $631,707 and $867,506 and net loss and comprehensive loss of $836,412 and $846,252.

Expenses

The total expenses decreased to $5,909,036 during 2020, a decrease of $5,969,069 representing an 50.3% decrease from the $11,878,105 in 2019. The decrease was primarily due to the disposition of control of Re-Eco Tech Conversions.

Fourth Quarter Results

For the three months ended September 30, 2020 and 2019 respectively, the Corporation had a loss from operations of $440,462 and $493,894. For the three months ended September 30, 2020 and 2019 respectively, the Corporation had a net loss and comprehensive loss of $440,462 and $493,894. The net loss in 2020 was primarily due to a provision for doubtful accounts in Re-Eco Tech Electronics. For the three months ended September 30, 2020 and 2019 respectively, total operating expenses decreased to $1,641,953 from $3,131,698, a decrease of $1,489,745 primarily due to the divestiture of Re-Eco Tech Conversions.

Cash Flows

The following is a summary of cash flows for the twelve months ended September 30:

	2020	2019
Cash provided by (used in) operating activities	$ 8,594	$ (576,229)
Cash provided by financing activities	$ 167,868	$ 576,844
Cash used in investing activities	$ -	$ (79,836)
Increase (decrease) in cash	$ 176,462	$ (79,221)

In 2020 the increase in cash of $176,462 was due to financing activities.

Liquidity

The Corporation had a cash balance at September 30, 2020 of $612,496 (2019 – $436,034).

At September 30, 2020 the Corporation had a working capital deficit of $1,298,193. In order to meet the Corporation's anticipated working capital requirements it will be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

The Corporation regularly explores business opportunities as it seeks to expand its product offerings. Prior to acceptance, each opportunity goes through a due diligence process to ensure it meets the requirements of the Corporation. Potential growth opportunities may be advanced through joint business relationships with third parties including license arrangements, partnerships and joint ventures or may be internally financed through debt or equity issuances as appropriate in the circumstances.

As at September 30, 2020, the Corporation had notes payable of $802,098, convertible debentures of $95,078, lease liability of right-of-use asset of $1,000,948 and other loans of $991,685.

Contractual Obligations

On June 1, 2015 Illumineris entered into distribution agreement with Jessup Manufacturing of McHenry IL. to become a distributor of Jessup Manufacturing products. The sales territory is Canada and the initial term of the agreement is two years which automatically renews for successive one year periods. Under the terms of the agreement, Illumineris is limited to distributing Jessup products and will refrain from offering any competing products. In connection with the distribution agreement, Illumineris signed a General Security Agreement which gives Jessup Manufacturing a charge over any and all assets of Illumineris.

The Corporation leases equipment and office space and recycling facilities, which require future annual payments of:

	Office and facilities
	$
2021	355,521
2022	356,873
2023	356,873
2024	29,739
	1,099,006

Capital Expenditures

At this time, the Corporation has no material commitments for future capital expenditures.

Off-balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Transactions with Related Parties

As at September 30, 2020, included in accounts receivable is $68,955 (2019 - $60,626) related to advances made to SETA Group, a company controlled by a Director of the Corporation.

Key management compensation

Key management includes the Corporation's Directors, the CEO, CFO and President.

As at September 30,	2020	2019
Consulting fees	100,300	74,255
Stock-based compensation	-	-
	100,300	**74,255**

Financial Instruments

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, and loans. Financial instruments are recognized initially at fair value. Subsequent to initial recognition financial instruments are measured in one of the following categories: financial assets and financial liabilities measured at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or other financial liabilities.

The carrying values of the financial assets and liabilities included in the statements of financial position are as follows:

	On Demand	Less than 3 months	3 to 12 months	Over 1 year	Total
Accounts payable and accrued liabilities	636,306	-	-	-	636,306
Notes payable	802,098	-	-	-	802,098
Loans payable	991,685	-	-	-	991,685
Convertible debentures payable	-	-	-	95,078	95,078
	2,430,089	-	-	95,078	2,525,167

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short period to maturity of the instruments. Cash and cash equivalents are classified as level 1, which means fair value measurement are those derived from quoted prices in active markets. The carrying value of the loans and borrowings approximates their fair value due to the relatively short period to maturity of the instruments.

Shareholders' Equity

Authorized

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value, 50,000,000 non-voting preferred shares (issuable in series, the rights, privileges, restrictions and conditions attached to the preferred shares are to be determined by the Directors of the Corporation at time of issuance) and an unlimited number of special non-voting shares. There are no preferred shares and no non-voting special shares issued or outstanding as at September 30, 2020.

The number of issued and outstanding common shares as at September 30, 2020 and 2019 was 202,870,590 and 182,265,090 as of the date of this MD&A.

As at September 30, 2020 the Corporation had 7,473,000 options outstanding with a range of exercise prices of $0.05 to $0.07 and a weighted average remaining contractual life of 2.40 years. As of the date of this MD&A the Corporation had 7,473,000 options outstanding with a range of exercise prices of $0.05 to $0.07 and a weighted average remaining contractual life of 2.40 years.

As at September 30, 2020 and as at the date of this MD&A, the Corporation had 19,851,500 warrants outstanding, exercisable to acquire an additional common share per warrant ranging in price from $0.05 to $0.11 per common share for up to 24 months following the date of issuance.

Contributed surplus totaled $1,297,527 at September 30, 2020. The balance is comprised mainly of the cumulative stock-based compensation expense.

Application of new and revised International Financial Reporting Standards

The standards issued and adopted by the Company in the current year's financial statements are listed below.

IFRS 16 - Leases

Adoption of IFRS 16 Leases:

Effective October 1, 2019 the Corporation adopted IFRS 16 Leases which replaces IAS 17 Leases and requires the recognition of most leases on the statement of financial position. IFRS 16 effectively removes the classification of leases as either financing or operating leases and treats all leases as finance leases for lessees, with practical expedients for short-term leases where the lease term is twelve months or less and for leases of low value items. The accounting treatment for lessors remains essentially unchanged, with the requirement to classify leases as either financing or operating.

Transition:

The Corporation adopted IFRS 16 using the modified retrospective approach by adjusting the opening deficit with no restatement of comparative figures. As such, comparative information continues to be reported under IAS 17 and related interpretations.

For the building lease, the right-of-use asset was measured at its carrying amount as if IFRS 16 had been applied since the commencement date, discounted using either the lease agreement's implicit rate or the Corporation's incremental rate, as applicable. Deferred rent liability, which was required under the previous lease standard, is not required under IFRS 16.

Upon transition, the Corporation did not recognize right-of-use assets for low value leases or leases that have a term of twelve months or less.

The following table summarizes the impact of adopting IFRS 16 on the Corporation's consolidated statement of financial position at October 1, 2019:

	September 30, 2019	**Adjustments due to IFRS 16**	**October 1, 2019**
	$	**$**	**$**
Assets			
Right-of-use assets	-	1,251,200	1,251,200
Prepaid expenses	214,561	(40,000)	174,561
Total assets	**2,865,311**	**1,211,200**	**4,076,511**
Liabilities and Equity			
Liabilities			
Current portion of lease liability	-	270,339	270,339
Lease liability	-	1,000,948	1,000,948
Total liabilities	5,021,585	1,271,287	6,292,872
Equity			
Deficit	(10,294,858)	(60,087)	(10,354,945)
Total equity	(2,156,274)	(60,087)	(2,216,361)
Total liabilities and equity	**2,865,311**	**1,211,200**	**4,076,511**

Capital Management

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital and maintain cash on hand. The Corporation defines capital as the Corporation's shareholders' equity and loans and borrowings. At September 30, 2020 shareholders' deficit was $502,807 (2019 - $2,156,274) and loans and borrowings were at $2,889,809 (2019 - $2,122,826). The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares or obtain debt financing. The Corporation is not currently subject to any externally imposed capital requirements.

Management anticipates that, based on the amount required to fund expenses associated with the execution of the Corporation's current business plan, taking into account the present working capital and the Corporation's projected level of future income, the Corporation is expected to require an injection of capital through debt or equity financing to meet its normal operating requirements for the next 12 months. Additional capital requirements are dependent on the extent of future revenues and expenses related to product development, manufacturing, sales and promotion and in consideration of results of the evaluation of other business growth opportunities and associated capital requirements. Additional liquid capital may be sourced from the issuance of share capital, debt financing or from potential government funding in support of development of export markets.

Financial Risk Management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

Fair Value

The fair value of cash, accounts receivable, notes receivable, accounts payable and accrued liabilities approximate their carrying value due to the relatively short period to maturity of the instruments. The fair value of loans payable, notes payable and mortgage payable approximate their carrying value as the interest rates are consistent with the current market rates.

Financial risk management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's trade receivables.

The aging of accounts receivable and allowance for doubtful accounts are as follows:

	September 30, 2020
Not past due	181,261
Past due 0-90 days	376,789
More than 90 days past due	497,937
Total accounts receivables	1,055,988
Allowance for doubtful accounts	(338,894)
Total accounts receivable, net of allowance	717, 094

The Corporation has $331,927 (2019 - $816,603) of accounts receivable from one customer (2019 – two), which represents 45% (2019 - 60%) of total accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity to meet liabilities when due by holding sufficient cash and cash equivalents to settle current liabilities and meet its anticipated working capital requirements. The Corporation had a cash balance at September 30, 2020 of $612,496 (2019 – $436,034) and a working capital deficit of $1,298,193 (2019 – $2,497,778).

In order to meet the Corporation's anticipated working capital requirements it will be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

The following table summarizes the maturity profile of all the Corporation's financial liabilities based on a contractual basis at September 30, 2020.

	On Demand	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
Accounts payable and accrued liabilities	636,306	-	-	-	636,306
Notes payable	802,098	-	-	-	802,098
Loans payable	991,685	-	-	-	991,685
Convertible debentures payable	-	-	-	95,078	95,078
	2,430,089	-	-	95,078	2,525,167

Market Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Corporation is exposed to currency risk on its U.S. dollar denominated bank accounts. The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

Outlook

Now that the world, including the business community, has had to focus on the health of the workforce, we believe there will be a major shift towards efforts to address the well-being of employees on a regular basis. This focus on better health will lead to more opportunity for companies like Sparta, who have been advocates for saving and transforming energy not only as a way to be sustainable in the market-place, but to maintain a healthy work and life environment. In our TruckSuite™ division we often point out that while our vision began as a way to help truckers operate more efficiently, well-functioning trucks are of little use if we don't have healthy drivers to operate them. To us, health of the planet and health of the people can't be separated.

It has become the new norm for everyone wearing PPE, which means we are going to see even more synthetic materials ending up on our streets, in our landfills, waterways and our atmosphere. At Sparta, we envision a place where remote communities will embrace their waste and look forward to receiving packaged goods and using packaging to help power their community – without harming the air they breathe or our atmosphere in general. We see a time when the power grids we presently have are treated with reverence because IoT technology can be implemented to optimize the electrons flowing through the lines at all times and we wee a day when decentralized power systems become commonplace.

At Sparta, we're committed to our efforts because we truly believe that the environmental technology sector will continue to grow due to demand. Rather than look at recent dilemma's like COVID-19 as too high of a hurdle to jump over, we are excited about the possibilities for our company, as well as investors to benefits from efficient technologies – breakthroughs that will make both business and climate stronger.