SOLAR ALLIANCE ENERGY INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Solar Alliance Energy Inc.

Opinion

We have audited the consolidated financial statements of Solar Alliance Energy Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive loss, cash flows and changes in shareholders' deficiency for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of $2,455,174 during the year ended December 31, 2019 and had an accumulated deficit of $62,358,138 as at December 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management's discussion and analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be through to bear on our independence, and where applicable, related safeguards.

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

Vancouver, Canada — *"Morgan & Company LLP"*

April 29, 2020 — Chartered Professional Accountants

MORGAN
COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Solar Alliance Energy Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	**$ 45,634**	$ 77,888
Accounts receivable and other assets	**493,643**	129,915
Due from related party	**288,000**	266,400
Prepaid expenses and deposits	**3,706**	12,425
Work in process	**426,806**	356,060
Total current assets	**1,257,789**	842,688
Non-current assets		
Deposits (note 3)	**25,169**	25,480
Equipment (note 5)	**20,311**	59,579
Right-of-use assets (note 4)	**45,234**	-
Total non-current assets	**90,714**	85,059
Total assets	**$ 1,348,503**	$ 927,747
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables (notes 6 and 18)	**$ 5,135,192**	$ 4,960,633
Customer deposits	**531,530**	170,469
Contingent consideration	**58,342**	58,342
Current portion of lease liability (note 7)	**38,862**	-
Loans and borrowing (note 8)	**758,857**	2,993,965
Total current liabilities	**6,522,783**	8,183,409
Non-current liabilities		
Lease liabilty (note 7)	**9,715**	-
Asset retirement obligations (note 9)	**101,762**	101,762
Total liabilities	**6,634,260**	8,285,171
Shareholders' deficiency		
Share capital (note 10)	**43,230,210**	39,481,772
Obligation to issue shares	**-**	76,000
Reserves (notes 12 and 11)	**13,826,269**	12,919,692
Equity component of convertible loan	**-**	52,174
Accumulated other comprehensive income (loss)	**15,902**	(293,298)
Deficit	**(62,358,138)**	(59,593,764)
Total shareholders' deficiency	**(5,285,757)**	(7,357,424)
Total liabilities and shareholders' deficiency	**$ 1,348,503**	$ 927,747

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

Nature of operations and going concern (note 1)

These consolidated financial statements are approved for issue by the Board of Directors of the Company on April 29, 2020. Signed on the Company's behalf by:

"Jason Bak"
Director

"Michael Clark"
Director

Solar Alliance Energy Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenues	**$ 2,203,699**	$ 1,982,890
Cost of services	**(2,030,158)**	(1,825,860)
	173,541	157,030
Operating and selling expenses		
Depreciation (notes 5 and 4)	**74,168**	37,445
Consulting fees	**391,694**	897,778
Insurance and filing fees	**100,788**	167,612
Marketing and advertising	**15,999**	59,471
Office, rent and utilities	**189,660**	435,529
Professional fees (note 18)	**155,044**	261,924
Salaries and benefits (note 18)	**816,866**	807,923
Share-based payments (note 12)	**762,966**	121,643
Travel and related	**39,149**	58,071
	2,546,334	2,847,396
Loss before undernoted	**(2,372,793)**	(2,690,366)
Other (expense) income		
Gain on sale of equipment	**-**	4,148
Gain on sale of subisdiary	**-**	52,432
Gain on settlement of provision	**-**	46,100
Gain on settlement of trade and other payables	**-**	200,259
Settlement expense (note 17)	**(133,600)**	-
Reversal of provision	**-**	77,500
Other (expense) income	**(133,600)**	380,439
Loss from operations for the year	**(2,506,393)**	(2,309,927)
Net finance income (expense)		
Interest expense	**(113,259)**	(352,802)
Interest income	**21,600**	21,600
Foreign exchange	**(166,322)**	305,456
	(257,981)	(25,746)
Net loss for the year	**(2,764,374)**	(2,335,673)
Other comprehensive income (loss)		
Change in accumulated foreign exchange translation adjustment	**309,200**	(460,598)
Comprehensive loss for the year	**$ (2,455,174)**	$ (2,796,271)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding	**198,800,600**	96,323,786

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

Solar Alliance Energy Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities		
Net loss for the year	**$ (2,764,374)**	$ (2,335,673)
Adjustments for non-cash items:		
Depreciation	**74,168**	37,445
Share-based payments	**762,966**	121,643
Gain on sale of equipment	**-**	(4,148)
Gain on sale of subsidiary	**-**	(52,432)
Gain on settlement of provision	**-**	(46,100)
Gain on settlement of trade and other payables	**-**	(200,259)
Reversal of provision	**-**	(77,500)
Interest on lease liability	**10,229**	-
Net finance expense	**(4,056)**	330,798
Unrealized foreign exchange	**303,866**	(449,357)
Changes in non-cash working capital items:		
Receivables	**(363,728)**	214,175
Prepaid expenses and deposits	**8,719**	193,376
Work in process	**(70,746)**	(127,202)
Trade and other payables	**702,789**	789,868
Customer deposits	**361,061**	(137,436)
Provision	**-**	(3,900)
Net cash used in operating activities	**(979,106)**	(1,746,702)
Investing activities		
Acquisition of equipment (note 5)	**-**	(2,592)
Deposits	**-**	5,087
Proceeds on sale of equipment	**-**	4,148
Proceeds on sale of subsidiary	**-**	52,432
Net cash provided by investing activities	**-**	59,075
Financing activities		
Obligation to issue shares	**-**	76,000
Lease liability payments	**(43,784)**	-
Loans received	**539,700**	610,507
Loans repaid	**(58,841)**	(92,810)
Interest and financing fees paid	**-**	(7,385)
Private placements	**493,488**	-
Share issue costs	**(18,711)**	-
Exercise of options	**35,000**	-
Net cash provided by financing activities	**946,852**	586,312
Net change in cash and cash equivalents	**(32,254)**	(1,101,315)
Cash and cash equivalents, beginning of year	**77,888**	1,179,203
Cash and cash equivalents, end of year	**$ 45,634**	$ 77,888

Supplemental cash flow informaton (note 14)

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

Solar Alliance Energy Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Obligation to issue shares	Reserves	Equity Component of Convertible Loan	Accumulated Other Comprehensive Income (loss)	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2017	**96,323,786**	**$ 39,481,772**	**$ -**	**$ 12,519,049**	**$ 52,174**	**$ 167,300**	**$(56,979,091)**	**$ (4,758,796)**
Obligation to issue shares	-	-	76,000	-	-	-	-	76,000
Extension and repricing of warrants	-	-	-	279,000	-	-	(279,000)	-
Share-based payments	-	-	-	121,643	-	-	-	121,643
Comprehensive loss for the year	-	-	-	-	-	(460,598)	(2,335,673)	(2,796,271)
Balance, December 31, 2018	**96,323,786**	**$ 39,481,772**	**$ 76,000**	**$ 12,919,692**	**$ 52,174**	**$ (293,298)**	**$(59,593,764)**	**$ (7,357,424)**

	Number of shares	Share Capital	Obligation to issue shares	Reserves	Equity Component of Convertible Loan	Accumulated Other Comprehensive Income (loss)	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2018	**96,323,786**	**$ 39,481,772**	**$ 76,000**	**$ 12,919,692**	**$ 52,174**	**$ (293,298)**	**$(59,593,764)**	**$ (7,357,424)**
Issuance of shares for loans and borrowings	92,601,416	2,761,827	-	-	(52,174)	-	-	2,709,653
Issuance of shares for trade and other payables	10,564,586	528,229	-	-	-	-	-	528,229
Private placements	17,379,598	393,382	(76,000)	173,611	-	-	-	490,993
Exercise of options	500,000	65,000	-	(30,000)	-	-	-	35,000
Share-based payments	-	-	-	762,966	-	-	-	762,966
Comprehensive income for the year	-	-	-	-	-	309,200	(2,764,374)	(2,455,174)
Balance, December 31, 2019	**217,369,386**	**$ 43,230,210**	**$ -**	**$ 13,826,269**	**$ -**	**$ 15,902**	**$(62,358,138)**	**$ (5,285,757)**

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

1. Nature of business and going concern

Solar Alliance Energy Inc. ("Solar Alliance" or the "Company") is incorporated under the laws of British Columbia and is an energy solutions provider focused on residential, commercial and industrial solar installations in the United States of America. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "SOLR".

The Company's corporate office is located at 82 Richmond Street East, Toronto, ON, M5C 1P1.

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and, therefore be required to liquidate its assets and settle its liabilities in other than the normal course of business and at amounts that may differ from those shown in these consolidated financial statements.

As at December 31, 2019, the Company had an accumulated deficit of $62,358,138 (December 31, 2018 - $59,593,764). Comprehensive loss for the year ended December 31, 2019 was $2,455,174 (year ended December 31, 2018 - $2,796,271). These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the financing necessary to fund its planned revenue growth and working capital requirements.

2. Significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the parent Company's functional currency. The functional currency of the Company's US subsidiaries is the US dollar.

(d) Basis of measurement

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

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(g).

2. Significant accounting policies (continued)

(e) Use of accounting assumptions, estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share-based payments

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data, and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

(ii) Critical accounting judgments

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company is the Canadian dollar. The functional currency of the Company's US subsidiaries is the US dollar.

Fair value of embedded derivatives

The terms and conditions of financial liabilities may contain embedded derivatives that may or may not require embedded derivatives to be split apart and accounted for as a stand-alone derivative. These determinations require judgment. The Company considered the terms and conditions of the convertible loan and determined the value of the embedded derivative was $52,174.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) Use of accounting assumptions, estimates and judgments (continued)

(ii) Critical accounting judgments (continued)

Determination of CGUs

A cash generating unit ("CGU") is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations.

Contingencies

Due to the nature of the Company's operations, various legal, tax, environmental, regulatory, and business acquisition consideration matters are outstanding from time to time. In the event that management's estimates of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

(f) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Details of the Comapny's subsidiaries as at December 31, 2019 and 2018 are as follows:

Name of Subsidiary	Place of Incorporation	Principal Activity	Ownership Interest December 31, 2019	Ownership Interest December 31, 2018
Solar Alliance Southeast, LLC	Tennessee	Operating company	100%	100%
Solar Alliance of America, Inc.	California	Operating company	100%	100%
Solar Alliance Services, Inc.	Delaware	Operating company	100%	100%
Finavera Solar Holding Inc.	Delaware	Holding company	100%	100%
Wildmare Wind Energy Corp.	BC	Dormant company	100%	100%
Wildmare Wind Energy Limited Partnership.	BC	Dormant company	85%	85%
Solar Alliance Hosting Inc.	Delaware	Holding company	0%	0%

Solar Alliance Hosting Inc. was incorporated in May 2018 and sold in November 2018 (Note 15).

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(g) Financial instruments

IFRS 9 - Financial Instruments ("IFRS 9") replaced IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The Company has assessed this new standard and there has been no impact to the consolidated financial statements from this adoption.
Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, FVTPL, or fair value through other comprehensive income ("FVTOCI"). Financial liabilities are classified in the following measurement categories: FVTPL, or amortized cost.

2. Significant accounting policies (continued)

(g) Financial instruments (continued)

The following table summarizes the changes in the classification of the Company's financial instruments upon adoption of IFRS 9. The adoption of the new classification did not result in any changes in the measurement or carrying amount of the consolidated financial instruments.

Financial instruments	Category under IAS 39	Category under IFRS 9
Financial assets		
Cash and cash equivalents	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Due from related party	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and other liabilities	Other financial liabilities	Amortized cost
Customer deposits	Other financial liabilities	Amortized cost
Loans and borrowings	Other financial liabilities	Amortized cost

The accounting for these instruments and the line item in which they are included in the consolidated statements of financial position are unaffected by the adoption of IFRS 9, and no measurement adjustments are required to the Company's financial assets and liabilities. The adoption of IFRS 9 does not have a material impact on impairment of the Company's financial assets.

For amounts receivable, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Amounts receivable are written off when there is no reasonable expectation of recovery.

As a result of the adoption of IFRS 9, the accounting policy for financial instruments has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents is classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's amounts receivable, due from related party, and deposits are classified as financial assets measured at amortized cost.

2. Significant accounting policies (continued)

(g) Financial instruments (continued)

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's amounts payable and other liabilities, due to related party, customer deposits, and loans and borrowings do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

2. Significant accounting policies (continued)

(g) Financial instruments (continued)

Expected credit loss impairment model (continued)

For amounts receivable, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Amounts receivable are written off when there is no reasonable expectation of recovery.

hj) Cash and cash equivalents

Cash and cash equivalents include cash on hand and with Canadian and American chartered banks.

(i) Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized in operations on either a declining balance basis or straight-line basis over the estimated useful lives of each part of an item of equipment, the choice dependent on which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation rates are as follows:

Class of Equipment	**Amortization rate**
Computer equipment	20%-30%
Office furniture and equipment	20%-30%
Vehicles	30%

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

(j) Goodwill

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired, less liabilities assumed, based on fair values. Goodwill is allocated, at the date of acquisition, to the Company's cash generating unit that is expected to benefit from the synergies of the business combination. Goodwill arising from acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(k) Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that the tax arises from a transaction which is recognized directly in equity or in other comprehensive income or directly in shareholder's deficiency.

Current tax is the expected tax payable or recoverable on the taxable income or loss for a period. Current liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(k) Income taxes (continued)

Deferred tax is assets and liabilities are recognized for temporary differences which are differences between the carrying amounts of an asset or liabilities in the consolidated statements of financial position and its tax base, the carry-forward of unused tax losses and unused tax credits. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply when the asset or liability is expected to be realized or settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of these deferred tax assets to be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

(l) Share-based payment transactions

The fair value of stock options granted to employees and non-employees is recognized as an expense over the vesting period with a corresponding increase in shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(m) Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

(n) Revenue

Effective January 1, 2018, IFRS 15 Revenue from Contracts with Customers ("IFRS 15") replaced IAS 18 Revenue ("IAS 18") and a number of related standards and interpretations. IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

There was no material impact to the Company's consolidated financial statement as a result of transitioning to IFRS 15.

The Company generates revenues from development and engineering, procurement and construction ("EPC") commercial and industrial solar projects and residential solar installations.

2. Significant accounting policies (continued)

(n) Revenue (continued)

(i) Development and EPC commercial and industrial solar projects

Revenues from EPC projects is recognized, when the amount of revenue can be reliably measured, when the significant risks and rewards of ownership of the products or services have passed to the buyer and the Company has the right to be compensated.

(ii) Residential solar installations

Revenue is recognized when earned which is the date that an installed solar system passes the final inspection by the appropriate authorities. Until that time any funds received in advance of revenue recognition are recognized as customer deposits in the statement of financial position and any costs incurred related to the project are deferred as work in progress.

(o) Loss per share

The Company presents basic and diluted income (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for any shares held by the Company. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options on loss per share would be anti-dilutive.

(p) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(q) Foreign currency

i) Foreign currency transactions
Foreign currency transactions are translated into the respective functional currencies of the Company and its subsidiaries, using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate in effect at the financial statement date. Such exchange gains or losses arising from translation are recognized in profit or loss for the reporting period.

The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period.

2. Significant accounting policies (continued)

(r) Foreign currency (continued)

ii) Translation of foreign operations for consolidation

For purposes of consolidation, the assets and liabilities of foreign operations with functional currencies other than the Canadian dollar are translated to Canadian dollars using the rate of exchange in effect at the financial statement date. Revenue and expenses of the foreign operations are translated to Canadian dollars at exchange rates at the date of the transactions with the average exchange rate for the period being used for practical purposes. Foreign currency differences resulting from translation of the accounts of foreign operations are recognized directly in other comprehensive income (loss) and are recorded in the accumulated foreign exchange translation adjustment as a separate component of shareholders' deficiency.

When a foreign operation is disposed of, the amount of the associated translation reserve is fully transferred to profit or loss.

(s) Impairment

i) Financial assets
Financial assets not carried at fair value through profit or loss are assessed at each reporting date by determining whether there is objective evidence that indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii) Non-financial assets

Non-financial assets, such as equipment and goodwill, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment at each reporting date.

For impairment testing purposes, the assets are grouped together into the smallest group of assets, or CGU's, that generate cash inflows from continuing operations that are largely independent of the cash inflows of other assets or CGU's. Goodwill arising from a business acquisition is allocated to CGU's that are expected to benefit from the synergies of the acquisition.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset Fair value less costs to sell is defined as the estimated price that would be received on the sale of the asset in an orderly transaction between market participants at the measurement date.

An impairment loss is recognized if the carrying amount of an asset or the CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are first allocated to reduce goodwill and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis.

Impairment losses in respect of goodwill are not reversed. For other assets, impairment losses are reversed if there has been a change in facts and circumstances that led to the impairment and the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(t) Leases and right-of-use assets

The Company has adopted IFRS 16 – Leases effective January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

3. Deposits

	As at December 31, 2019	As at December 31, 2018
BC Licence of Occupation security deposits (i)	**$ 19,000**	$ 19,000
Office lease deposit	**6,169**	6,480
Total	**$ 25,169**	$ 25,480

(i) The Company has $19,000 on deposit with the BC Ministry of Forests, Lands, and Natural Resource Operations in respect of its remaining licenses of occupation. The funds are being held in a non-interest-bearing trust by the Provincial Treasury.

4. Right-of-use assets

	Office space
Balance, January 1, 2019	**$ -**
Additions	85,258
Depreciation	(36,970)
Change in foreign exchange	(3,054)
Balance, December 31, 2019	**$ 45,234**

Office spaces are depreciated over 26 months.

(Expressed in Canadian Dollars)

5. Equipment

COST	Vehicles	Office furniture and equipment	Computer	Total
Balance, December 31, 2017	**$ 69,280**	**$ 4,037**	**$ 2,741**	**$ 76,058**
Additions	31,426	-	-	31,426
Disposals	(3,485)	-	-	(3,485)
Write-off	-	(4,037)	(2,741)	(6,778)
Foreign exchange	7,404	-	-	7,404
Balance, December 31, 2018 and 2019	**$ 104,625**	**$ -**	**$ -**	**$ 104,625**

ACCUMULATED DEPRECIATION				
Balance, December 31, 2017	**$ 6,224**	**$ 4,037**	**$ 2,741**	**$ 13,002**
Depreciation	37,445	-	-	37,445
Disposals	(3,485)	-	-	(3,485)
Write-off	-	(4,037)	(2,741)	(6,778)
Foreign exchange	4,862	-	-	4,862
Balance, December 31, 2018	**$ 45,046**	**$ -**	**$ -**	**$ 45,046**
Depreciation	37,198	-	-	37,198
Foreign exchange	2,070	-	-	2,070
Balance, December 31, 2019	**$ 84,314**	**$ -**	**$ -**	**$ 84,314**

CARRYING AMOUNTS	Vehicle	Office Furniture and equipment	Computer	Total
Balance, December 31, 2018	**$ 59,579**	**$ -**	**$ -**	**$ 59,579**
Balance, December 31, 2019	**$ 20,311**	**$ -**	**$ -**	**$ 20,311**

During the year ended December 31, 2018, the Company wrote-off fully depreciated equipment of $6,778.

During the year ended December 31, 2018, the Company sold fully depreciated equipment for proceeds of $4,148 and accordingly recorded a gain on sale of equipment of $4,148.

6. Trade and other payables

	December 31, 2019	December 31, 2018
Trade and other payables in Canada (i)	**$ 2,245,688**	$ 2,031,015
Trade and other payables in the U.S.A.	**2,364,693**	2,075,697
Trade and other payables to related parties (Note 18)	**458,121**	853,921
Total amounts payable and other liabilities	**$ 5,068,502**	$ 4,960,633

(i) Trade and other payables in Canada include $708,000 under dispute since 2006 which in management's opinion is not expected to ultimately be paid in full.

(Expressed in Canadian Dollars)

7. Lease liabilities

As at December 31,		2019
Balance, January 1, 2019	**$**	**-**
Additions		85,258
Interest expense		10,229
Lease payments		(43,784)
Change in foreign exchange		(3,126)
Balance, December 31, 2019	**$**	**48,577**
Allocated as:		
Current	$	38,862
Long-term		9,715
Balance, December 31, 2019	**$**	**48,577**

On August 31, 2018, the Company entered into a thirty-six month lease agreement for new office space in Chatham, Ontario, commencing on January 1, 2019. Under the lease, the Company is required to pay a monthly base rent of $1,385. In addition to the base rent, the Company must pay its proportionate share of operating costs for the leased premises. The lease agreement includes an extension option for an additional thirty-six months. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date (including the extension option of thirty-six months). The lease payments are discounted using an interest rate of 13.95%, which are the Company's incremental borrowing rate in Canada. Effective interest rate is 14.88%.

8. Loans and Borrowings

		December 31, 2019		December 31, 2018
Convertible Loan (a)	**$**	**-**	$	2,271,562
Loan (b)		**164,695**		159,436
Related party loans (c)		**-**		56,726
Shareholder loan (d)		**566,182**		480,110
Officer and director loans (e)		**10,076**		-
Other		**17,904**		26,131
Total	**$**	**758,857**	$	2,993,965

a) Convertible loan

		December 31, 2019		December 31, 2018
Principal	**$**	**-**	$	1,947,826
Interest		**-**		271,562
Accretion		**-**		52,174
Total	**$**	**-**	$	2,271,562

In November 2017, the Company entered into a convertible loan agreement for $2,000,000 with a company controlled by Tom Anderson, a shareholder of the Company. The loan had a term of one year and bore interest at a rate of 12% per annum. The Company allocated an equity component of this debt hosted derivative instrument of $52,174 with the balance of $1,947,826 allocated as the debt component that was accreted by the charge of interest at the rate of 15% per annum being the interest rate of a comparable debt without a conversion feature.

(Expressed in Canadian Dollars)

8. Loans and Borrowings (continued)

During the year ended December 31, 2019, the Company recorded interest expense of $20,383 (2018 - $285,312), being accretion on the debt of $Nil (2018 - $45,315) and interest expense of $20,383 (2018 - $240,000).

In February 2019, the Company issued 76,398,174 common shares valued at $2,291,945 in full and final settlement of the convertible note and all accrued interest (Note 10).

The issuance of these common shares, along with the common shares issued in settlement of the shareholder loans (Note 8(d)), together with common shares already held, made Mr. Anderson a control person of the Company. Mr. Anderson has acquired the shares for investment purposes and neither he, nor the companies he controls, have any present intention to acquire further securities of the Company although Mr. Anderson may acquire or dispose of common shares of the Company in the market, privately or otherwise, as circumstances or market conditions warrant.

b) Loan

		December 31, 2019		December 31, 2018
Principal	**$**	**84,422**	$	88,673
Interest		**80,273**		70,763
Total	**$**	**164,695**	$	159,436

In October 2007, the Company assumed a loan from a third party to a former subsidiary that the Company previously guaranteed in the amount of US$65,000. Interest began accruing in October 2010 at a rate of 8.5% per annum. The loan is unsecured and due on demand. During the year ended December 31, 2019, the Company accrued interest of $12,902 (2018 - $12,861) and recorded a foreign exchange gain on the loan of $7,643 (2018 - loss on the loan of $11,787).

c) Related party loans

		December 31, 2019		December 31, 2018
Principal	**$**	**-**	$	52,396
Interest		**-**		4,330
Total	**$**	**-**	$	56,726

As at December 31, 2018, a company controlled by an officer of the Company had advanced the Company $52,396 pursuant to unsecured promissory notes bearing interest at 15% per annum and due on demand. During the year ended December 31, 2019, the Company recorded interest expense of $2,013 (2018 - $3,289).

In April 2019, the Company repaid $58,739 of principal and interest in full and final settlement of the loan and all accrued interest.

(Expressed in Canadian Dollars)

8. Loans and Borrowings (continued)

d) Shareholder loan

	December 31, 2019	December 31, 2018
Principal	**$ 530,000**	$ 470,000
Interest	**36,182**	10,110
Total	**$ 566,182**	$ 480,110

During the year ended December 31, 2019, a company controlled by a shareholder advanced the Company $530,000 pursuant to unsecured promissory notes bearing interest at 15% per annum and due on demand. During the year ended December 31, 2019, the Company recorded interest expense of $36,182 on the promissory notes.

During the year ended December 31, 2018, a company controlled by a shareholder advanced the Company $470,000 pursuant to unsecured promissory notes bearing interest at 15% per annum and due on demand. During the year ended December 31, 2018, the Company recorded interest expense of $10,110 on the promissory notes.

e) Officer and director loans

	December 31, 2019	December 31, 2018
Principal	**$ 9,700**	$ -
Interest	**376**	-
Total	**$ 10,076**	$ -

During the year ended December 31, 2019, the Chief Executive Officer of the Company advanced the Company $3,000 pursuant to a promissory note bearing interest at 15% per annum and due August 15, 2020. During the year ended December 31, 2019, the Company recorded interest expense of $170 on the promissory note.

During the year ended December 31, 2019, a director of the Company advanced the Company $6,700 pursuant to a promissory note bearing interest at 15% per annum and due in October 2020. During the year ended December 31, 2019, the Company recorded interest expense of $206 on the promissory note.

9. Asset retirement obligations

The Company has recorded asset retirement obligations of $101,762 (2018 - $101,762) associated with the future decommissioning of weather monitoring equipment situated on the Wildmare Wind Energy Project site.

10. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares without par value and 100 redeemable preferred shares.

(Expressed in Canadian Dollars)

10. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2017 and 2018	**96,323,786**	**$ 39,481,772**
Issuance of shares for loans and borrowings	92,601,416	2,761,827
Issuance of shares for trade and other payables	10,564,586	528,229
Private placements	17,379,598	393,382
Exercise of stock options	500,000	65,000
Balance, December 31, 2019	**217,369,386**	**$ 43,230,210**

At December 31, 2019, the Company had 217,369,386 common shares issued and outstanding (December 31, 2018 – 96,323,786) and no preferred shares issued and outstanding. A summary of changes in share capital and reserves is contained on the consolidated statements of changes in shareholders' deficiency for the years ended December 31, 2019 and 2018.

During the year ended December 31, 2019, the Company issued the following shares:

i. In February 2019, the Company issued 76,398,174 common shares at a price of $0.03 per share to a company controlled by Mr. Anderson and 16,203,242 common shares at a price of $0.03 per share to Mr. Anderson to settle $2,291,945 and $486,097 of principal and interest respectively to January 31, 2019 (Note 8(a) and 8(d)). The Company paid share issue costs of $16,215.
ii. In February 2019, the Company issued 7,297,920 common shares at a price of $0.05 per share to three companies controlled by officers of the Company to settle consulting fees of $364,896 accrued to January 31, 2019.
iii. In February 2019, the Company completed the first tranche of a non-brokered private placement through the issuance of 2,783,333 units at a price of $0.03 per unit for gross proceeds of $83,500 ($76,000 of which was received in fiscal 2018 and recorded as an obligation to issue shares as at December 31, 2018). Each unit consists of one common share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of $0.05 per share until February 28, 2020. The Company determined the fair value of the warrants to be $9,985. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 1.78%; an expected volatility of 86.7%; an expected life of 1 year; a forfeiture rate of zero; and an expected dividend of zero. 2,533,333 units were issued to a director of the Company.
iv. In March 2019, the Company completed the second tranche of a non-brokered private placement through the issuance of 1,070,000 units at a price of $0.03 per unit for gross proceeds of $32,100. Each unit consists of one common share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of $0.05 per share until March 14, 2020. The Company determined the fair value of the warrants to be $6,907. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 1.66%; an expected volatility of 75.5%; an expected life of 1 year; a forfeiture rate of zero; and an expected dividend of zero. The Company paid share issue costs of $2,495 in cash. 1,070,000 units were issued to an officer and a director of the Company.
v. In March 2019, the Company issued 500,000 common shares to an officer of the Company on the exercise of stock options for proceeds of $35,000.
vi. In April 2019, the Company completed the third and final tranche of a non-brokered private placement through the issuance of 11,121,265 units at a price of $0.03 per unit for gross proceeds of $333,638. Each unit consists of one common share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of $0.05 per share until April 8, 2020. The Company determined the fair value of the warrants to be $120,956. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 1.63%; an expected volatility of 128.0%; an expected life of 1 year; a forfeiture rate of zero; and an expected dividend of zero. 1,666,666 units were issued to a director of the Company.

(Expressed in Canadian Dollars)

10. Share capital (continued)

b) Common shares issued (continued)

vii. In August 2019, the Company completed a non-brokered private placement through the issuance of 2,405,000 units at a price of $0.05 per unit for gross proceeds of $120,250. Each unit consists of one common share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of $0.07 per share until August 22, 2020. The Company determined the fair value of the warrants to be $35,763. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 1.39%; an expected volatility of 143.1%; an expected life of 1 year; a forfeiture rate of zero; and an expected dividend of zero. 2,405,000 units were issued to an officer and a director of the Company, two companies controlled by an officer and a director of the Company and a significant shareholder.

viii. In August 2019, the Company issued 3,266,666 common shares at a price of $0.05 per share to two companies controlled by officers of the Company to settle consulting fees of $163,333 accrued to July 31, 2019.

11. Warrants

The following table reflects the warrants issued and outstanding as of December 31, 2019:

Expiry Date	Exercise Price	Balance December 31 2018	Granted	Exercised	Expired	Balance December 31, 2019
February 28, 2020(i)	$ 0.05	-	2,783,333	-	-	2,783,333
March 14, 2020 (i)	$ 0.05	-	1,070,000	-	-	1,070,000
April 8, 2020 (i)	$ 0.05	-	11,121,265	-	-	11,121,265
April 25, 2020 (ii)	$ 0.18	8,064,332	-	-	-	8,064,332
April 25, 2020 (ii)	$ 0.25	545,747	-	-	-	545,747
May 9, 2020	$ 0.10	6,506,900	-	-	-	6,506,900
June 27, 2020	$ 0.18	7,608,333	-	-	-	7,608,333
July 6, 2020	$ 0.18	7,258,666	-	-	-	7,258,666
August 22, 2020	$ 0.07	-	2,405,000	-	-	2,405,000
December 13, 2020	$ 0.10	2,858,999	-	-	-	2,858,999
	$ 1.21	32,842,977	17,379,598	-	-	50,222,575
Weighted Average exercise price		$ 0.16	$ 0.05	$ -	$ -	$ 0.12

As of December 31, 2019, the weighted average remaining contractual life of the Company's warrants is 0.41 years (2018 - 1.46 years).

i. Subsequent to the year ended December 31, 2019, the expiry dates have been extended to February 28, 2022, March 14, 2022 and April 8, 2022 respectively.
ii. Subsequent to the year ended December 31, 2019, the warrants expired unexercised.

12. Stock options

The Company has a common share Stock Option Plan (equity-settled). The Board of Directors of the Company may from time to time, at its discretion, and in accordance with the requirements of the TSX-V, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, exercisable for a period of up to five years from the date of grant. There are no vesting requirements pursuant to the stock option plan. The Board may add such provisions at its discretion on a grant-by-grant basis. However, stock options granted in respect of investor relations activities must vest quarterly over a minimum one-year period, pursuant to TSX-V policy. The Board of Directors have resolved that the Stock Option Plan authorize the directors to grant stock options up to a maximum of 10% of the number of common shares issued and outstanding at the time of grant. The “rolling” stock option plan has been in effect since the Company was listed on the TSX-V.

(Expressed in Canadian Dollars)

12. Stock options (continued)

Details of the stock options outstanding as at December 31, 2019 are as follows:

Expiry Date	Exercise Price	Balance December 31 2018	Granted	Exercised	Expired/ Cancelled	Balance December 31, 2019
January 23, 2019	$ 0.10	250,000	-	-	(250,000)	-
January 31, 2019	$ 0.09	1,284,000	-	-	(1,284,000)	-
December 15, 2020	$ 0.07	1,500,000	-	(500,000)	-	1,000,000
June 17, 2021	$ 0.06	-	500,000	-	-	500,000
November 30, 2021	$ 0.08	500,000	-	-	-	500,000
April 5, 2022	$ 0.20	750,000	-	-	(750,000)	-
July 5, 2022	$ 0.11	500,000	-	-	(500,000)	-
December 22, 2022	$ 0.08	1,500,000	-	-	-	1,500,000
January 26, 2023	$ 0.08	750,000	-	-	(150,000)	600,000
February 1, 2023	$ 0.08	500,000	-	-	-	500,000
May 4, 2023	$ 0.08	500,000	-	-	-	500,000
May 6, 2024	$ 0.06	-	12,250,000	-	-	12,250,000
July 16, 2024	$ 0.06	-	2,000,000	-	-	2,000,000
	$ -	8,034,000	14,750,000	(500,000)	(2,934,000)	19,350,000
Weighted Average exercise price		$ 0.09	$ 0.06	$ 0.07	$ 0.12	$ 0.06

As of December 31, 2019, all of the stock options were exercisable. The weighted average remaining contractual life of the Company's stock options is 3.85 years (2018 - 1.73 years).

13. Share-based payments

During the year ended December 31, 2019, the Company granted 14,750,000 stock options to directors, officers, and employees of the Company and recorded $762,966 of share-based payments for options that vested during the year.

The options granted in 2019 were valued using the Black-Scholes pricing model. A summary of assumptions used are as follows:

Grant Date	Expiry Date	Number Granted	Exercise Price	Fair value vested	Fair value un-vested	Risk free interest rate	Expected volatility	Expected life in years
6-May-19	6-May-24	12,250,000	$ 0.06	$ 652,822	$ -	1.65%	100%	5
17-Jun-19	17-Jun-21	500,000	$ 0.06	$ 13,388	$ -	1.44%	100%	3
16-Jul-19	16-Jul-24	2,000,000	$ 0.06	$ 96,756	$ -	1.45%	100%	5
		14,750,000		$ 762,966	$ -			

* note in all cases forfeiture and dividend rates are zero

During the year ended December 31, 2018, the Company granted 1,775,000 stock options to directors, officers, and employees of the Company and recorded $121,643 of share-based payments for options that vested during the year.

The options granted in 2018 were valued using the Black-Scholes pricing model. A summary of assumptions used are as follows:

Grant Date	Expiry Date	Number Granted	Exercise Price	Fair value vested	Fair value un-vested	Risk free interest rate	Expected volatility	Expected life in years
26-Jan-18	26-Jan-23	775,000	$ 0.08	$ 36,350	$ -	2.06%	100%	5
1-Feb-18	1-Feb-23	500,000	$ 0.08	$ 21,334	$ -	2.14%	100%	5
4-May-18	4-May-23	500,000	$ 0.08	$ 23,472	$ -	2.14%	100%	5
		1,775,000		$ 81,156	$ -			

* note in all cases forfeiture and dividend rates are zero

(Expressed in Canadian Dollars)

14. Supplemental cash flow information

For the year ended December 31,	**2019**	**2018**
Non-cash investing and financing activities		
Shares issued for loans and borrowings	**$ 2,761,827**	$ -
Shares issued for trade and other payables	**$ 528,229**	$ -
Recognition of right-of-use asset and lease liability	**$ 85,258**	$ -
Non-cash investing and financing activities	**$ 3,375,314**	$ -
Supplemental Information		
Interest paid	**$ -**	$ 7,385
Income taxes paid	**$ -**	$ -

15. Sale of subsidiary

In November 2018, the Company sold its 100% owned subsidiary, Solar Alliance Hosting Inc. ("SA Hosting"), for $52,432 (US$40,000) to NuYen Blockchain Inc. ("NuYen"), a private company of which an officer of the Company is a director and shareholder. SA Hosting holds a warehouse facility in Murphysboro, Illinois ("the "Murphysboro Facility") which was acquired for a nominal cost in June 2018.

In addition:

- SA Hosting will grant the Company, or a subsidiary of the Company, a 2% net profits interest in any blockchain mining operations conducted at the Murphysboro Facility payable to the Company within 60 days of the end of each calendar quarter;
- NuYen will undertake to fund the cost to construct and install a 1 MW solar project on the Murphysboro Facility with the Company being awarded the contract to install that 1 MW solar project; and
- The Company will continue to be allowed to develop a 1-4 MW solar project on-site and bid the project into the Illinois RFPs or commercial brown/field program. NuYen, through its ownership of SA Hosting, or a third party designated by NuYen, would be the owner of the project, with power supplied to NuYen's operations at the Murphysboro Facility at the lowest possible cost, with any excess power being offered to the Murphysboro community via a community solar project.

During the year ended December 31, 2018, the Company recorded a gain on sale of subsidiary of $52,432 in related to this transaction.

16. Income tax

The provision for income taxes differs from the expected amount calculated by applying the combined Federal and Provincial corporate income tax rates to the Company's loss before taxes. This difference results from the following items:

	2019	**2018**
Loss for the year	**$ (2,764,374)**	$ (2,335,673)
Statutory tax rate	**27%**	27%
Income tax recovery computed at statutory rates	**(746,000)**	(631,000)
Non-deductible items	**206,000**	25,000
Change in estimates and other	**59,000**	(239,000)
Change in deferred tax assets not recognized	**481,000**	845,000
Deferred income tax recovery	**$ -**	$ -

(Expressed in Canadian Dollars)

16. Income tax (continued)

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2019	December 31, 2018
Non-capital losses carried forward	**$ 2,161,000**	$ 1,693,000
Project development costs and equipment	**143,000**	134,000
Other deductible temporary differences	**403,000**	399,000
Unrecognized deferred tax assets	**$ 2,707,000**	$ 2,226,000

These tax assets have not been recognized as the Company has no history of earning profits or taxable income. Accordingly, the Company concluded that it was not probable that the benefits associated with these tax assets would be realized.

17. Settlement Expense

During the year ended December 31, 2019, the Company and a third party negotiated a settlement agreement related to a legal claim against the Company, pursuant to which the Company agreed to make instalment payments in the aggregate of $66,910 ($50,000USD) on a set timeline. The Company was in default of its timeline payments which resulted in penalties being accrued and the total settlement expense increased to $133,600 ($102,000USD).

18. Related party transactions and balances

In addition to related party transactions and balances disclosed elsewhere in these consolidated financial statements, the following transactions and balances occurred during the year ended December 31, 2019 with related parties:

a) As at December 31, 2019, an amount of $288,000 (2018 - $266,400) is due from a company controlled by an officer of the Company, comprised of principal of $180,000 (2018 - $180,000) and accrued interest of $108,000 (2018 - $86,400). During the year ended December 31, 2019, the Company accrued interest income of $21,600 (2018 - $21,600). The principal amount accrues interest at 12% per annum. The balance receivable is to be offset against the contractual payment described below upon settlement.
b) Included in trade and other payables as at December 31, 2019 is $423,900 (2018 - $399,600) due to an officer of the Company, comprised of principal of $270,000 (2018 - $270,000) and accrued interest of $153,900 (2018 - $129,600). This amount relates to a contractual payment resulting from the sale of certain wind projects in British Columbia in 2014 which constituted the material operating assets of the Company and triggered the contractual payment. During the year ended December 31, 2019, the Company accrued interest expense of $24,300 (2018- $32,400). The principal amount accrues interest at 12% per annum.
c) Included in trade and other payables as at December 31, 2019 is $458,121 (2018 - $454,321) due to current and former officers and directors and a significant shareholder of the Company for consulting fees, salaries and benefits and expense reimbursements.
d) Included in prepaid expenses as at December 31, 2019 is $nil (2018 - $4,500) advanced to an officer of the Company for future travel expenses.

(Expressed in Canadian Dollars)

18. Related party transactions and balances (continued)

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended December 31, 2019 and 2018 were as follows:

	Year ended December 31,	
	2019	**2018**
Consulitng fees	**$ 391,694**	$ 630,960
Salaries and benefits	**-**	37,500
Share-based payments	**629,672**	65,050
Total	**$ 1,021,366**	$ 733,510

During the year ended December 31, 2019, the Company settled consulting fees of $528,229 through the issuance of common shares of the Company (Note 10).

19. Segmented information

Operating segments are based on the information about the components of the entity that management uses to make decisions about operating matters. The Company and its subsidiaries engage in one main business activity being the residential, commercial and industrial solar business, hence operating segment information is not provided. Geographical segment information is provided by country of operation as follows:

Operating segment	**USA**	**Canada**	**Total**
As at and for the year ended December 31, 2019			
Total assets	$ 1,010,773	$ 337,730	$ 1,348,503
Non-current assets	71,714	19,000	90,714
Total revenues	2,203,699	-	2,203,699
Net loss	(1,052,288)	(1,712,086)	(2,764,374)
As at and for the year ended December 31, 2018			
Total assets	$ 590,958	$ 336,789	$ 927,747
Non-current assets	66,059	19,000	85,059
Total revenue	1,982,890	-	1,982,890
Net Loss	(898,494)	(1,437,179)	(2,335,673)

20. Financial instruments and risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk that a counterparty to a financial asset will default, resulting in non-collectability and arises mainly from its cash, receivables, and deposits. Cash is held with credit-worthy Canadian and United States financial institutions and receivables are primarily related to sales. The Company has assessed the credit risk of these instruments to be negligible. The Company did not have an allowance for doubtful accounts at December 31, 2019 nor did it incur any material bad debt expenses during the year then ended.

20. Financial instruments and risk factors (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is subject to liquidity risk from its trade and other payables and loans and borrowings as all of these liabilities are due within the next 12 months. The Company currently has a significant working capital deficiency as described in Note 1.

(iii) Market risk

Market risk is the risk to the Company of adverse financial impacts due to changes in the fair value or future cash flows of financial instruments primarily as a result of fluctuations in interest rates and foreign exchange rates.

(a) Interest rate risk

The Company's interest rate risk on loans and borrowings has been mitigated by fixing interest rates at the inception of the loans. At December 31, 2019, the Company had no material debt subject to floating interest rates.

The Company's interest income from cash is also subject to interest rate risk, but such risk is not considered material based on the balances on hand and the Company's expectation of interest rates in the foreseeable future.

(b) Foreign currency risk

The Company has net monetary liabilities denominated in United States dollars, totaling approximately US$2,200,000 at December 31, 2019, and is therefore subject to currency risk. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates. An increase (decrease) in the US dollar exchange rate of 10% relative to the Canadian dollar would decrease (increase) net loss by approximately $220,000.

21. Fair value measurements

Fair value is the price that would be received to dispose of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measured at fair value on a recurring basis:

As at December 31, 2019	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate fair value
Cash and cash equivalents	$ 45,634	$ -	$ -	$ 45,634

(Expressed in Canadian Dollars)

21. Fair value measurements (continued)

(a) Assets and liabilities measured at fair value on a recurring basis: (continued)

As at December 31, 2018				
Cash and cash equivalents	$ 77,888	$ -	$ -	$ 77,888

(b) Categories of financial instruments:

As at December 31,	**2019** Carrying amount	**2018** Carrying amount
Financial assets:		
Cash and cash equivalents	**$ 45,634**	$ 77,888
Amounts receivable	**493,643**	129,915
	$ 539,277	$ 207,803
Financial liabilities:		
Amounts payable and other liabilities	**$ 5,135,192**	$ 4,960,633
	$ 5,135,192	$ 4,960,633

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's amounts receivable, amounts payable and other liabilities and due to related party is close to fair value due to their short-term maturity.

22. Capital management

The Company's capital is comprised of shareholders' equity (deficiency) and loans and borrowings. The Company's overall objective has been to maintain sufficient capital to enable the Company to continue as a going concern and allow it to develop or dispose of certain wind project interests. The corporate objective has been to utilize debt financing to minimize shareholder dilution, and depending on terms, to issue equity securities as a means of raising capital. Market conditions impact the ability of the Company to maintain a balance between debt and equity (Note 1). The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital management remains unchanged from the year ended December 31, 2019.

23. Subsequent events

a) In January 2020, the Company issued 2,233,333 common shares, at a price of $0.05 share, to two companies controlled by officers of the Company to settle consulting fees of $111,667.

b) On March 31, 2020, the Company issued 2,900,000 stock options, at an exercise price of $0.05 per option, with an expiry date of five years of the grant date.

c) On April 24, 2020, the Company entered into a settlement agreement (the "Debt Settlement Agreement") with Clark Public Affairs, Ltd ("Clark") to fully settle an aggregate of $54,999 (the "Debt Settlement") of unpaid consulting fees recorded in the books of the Company for the three months ended March 31, 2020 by the issue of an aggregate of 2,199,960 common shares at $0.025 per share as allowed by the temporary relief bulletin issued by the Toronto Stock Exchange on April 8, 2020.

23. Subsequent events (continued)

d) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.