SOLAR ALLIANCE ENERGY INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Solar Alliance Energy Inc.

Opinion

We have audited the accompanying consolidated statements of Solar Alliance Energy Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive loss, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards ("IFRS").

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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 net loss of $1,811,861 during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its total assets by $2,304,958. 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 Matter – Comparative information

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 1, 2023.

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Key Audit Matter

The key audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the key audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the key audit matter below providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

Revenue recognition of Engineering, Procurement and Construction ("EPC") contracts using the percentage of completion method

Key Audit Matter Description

We draw attention to Notes 2.4.1(c) and 2.5(j) to the financial statements. The Company recognized EPC revenue of $7,473,937.

Revenue for EPC contracts is recognized as performance obligations are satisfied over time, based on costs incurred to date compared to estimated total costs for the project. Total estimated costs require judgment and changes to these estimates may affect revenue, unbilled revenue, and deferred revenue.

We identified revenue recognition of EPC contracts using the percentage of completion method as a key audit matter. This matter represented a significant risk of material misstatement requiring significant auditor judgment in evaluating the results of our audit procedures relating to total estimated costs.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures included, amongst others, the following:

- Performing a walkthrough to understand the Company's revenue process and evaluating the design of related controls.
- We evaluated the Company's historical ability to estimate total costs by comparing the total actual costs for a selection of EPC contracts completed in the current year against the total contract costs initially estimated.
- Recalculated the revenue recognized for a sample of contracts based on the overall contract price and percentage completed at year-end.
- Tested how management determined the percentage of completion for a sample of ongoing contracts, which included the following:
  - Tested the underlying data, which included agreeing key contractual terms back to signed contracts.
  - Evaluated the reasonableness of significant assumptions used by management, including estimated cost of materials and labour.
  - Assessing completion of contract phases by testing a sample of actual costs incurred during the year by project.
- Performed look-back procedures for a sample of contracts completed during the year by comparing the originally estimated and actual costs and gross margins.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 International Financial Reporting Standards, 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 it 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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 thought to bear on our independence, and where applicable, related safeguards.

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

Kreston GTA LLP

Chartered Professional Accountants
Markham, Canada
April 29, 2024

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

	As at December 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	**$ 702,988**	$ 650,061
Restricted cash (note 3)	**-**	471,331
Accounts receivable	**730,205**	336,415
Prepaid expenses and deposits	**8,563**	20,623
Unbilled revenue	**135,168**	36,483
Inventory	**102,214**	170,327
Total current assets	**1,679,138**	1,685,240
Non-current assets		
Deposits (note 4)	**42,633**	60,123
Property, plant and equipment (note 5)	**80,926**	1,952,756
Total non-current assets	**123,559**	2,012,879
Total assets	**$ 1,802,697**	$ 3,698,119
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Trade and other payables (notes 7 and 17)	**$ 3,595,663**	$ 2,675,389
Short-term loans and note payable (notes 8 and 17)	**137,500**	1,556,984
Customer deposits and deferred revenue	**169,626**	399,069
Contingent consideration	**29,135**	29,135
Tax equity (note 9)	**-**	68,522
Government assistance (note 10)	**60,000**	60,000
Total current liabilities	**3,991,924**	4,789,099
Non-current liabilities		
Asset retirement obligations (note 11)	**115,731**	112,034
Tax equity (note 9)	**-**	236,165
Total non-current liabilities	**115,731**	348,199
Total liabilities	**4,107,655**	5,137,298
Shareholders' deficiency		
Share capital (note 12)	**48,581,031**	48,581,031
Reserves (notes 13 and 14)	**17,039,615**	16,751,461
Accumulated other comprehensive income	**945,045**	287,117
Deficit	**(68,870,649)**	(67,058,788)
Total shareholders' deficiency	**(2,304,958)**	(1,439,179)
Total liabilities and shareholders' deficiency	**$ 1,802,697**	$ 3,698,119

The accompanying notes are an integral part of these consolidated financial statements.
Going concern (note 1)

Solar Alliance Energy Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars, except per share and share information)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenues	**$ 7,473,937**	$ 4,825,984
Cost of sales	**(6,399,169)**	(4,371,698)
Gross Profit	**1,074,768**	454,286
Expenses		
Depreciation (note 5)	**36,819**	31,546
Consulting fees (note 17)	**124,441**	95,324
Insurance and filing fees	**47,362**	25,497
Marketing and advertising	**130,393**	192,161
Office, rent and utilities	**384,328**	417,285
Professional fees	**561,537**	506,619
Salaries and benefits (note 17)	**1,343,363**	2,279,413
Share-based payments (notes 15 and 17)	**288,154**	651,879
Travel and related	**121,484**	83,284
Total expenses	**3,037,881**	4,283,008
Operating loss	**(1,963,113)**	(3,828,722)
Other income (expenses)		
Gain on derecognition of trade and other payables (note 7)	**651,005**	685,218
Other income (notes 9 and 10)	**197,459**	20,155
Loss on disposal of equipment (note 5)	**(521,648)**	-
Asset retirement obligation expense	**(3,697)**	(10,272)
Total other income	**323,119**	695,101
Net Loss before finance expense (income)	**(1,639,994)**	(3,133,621)
Net finance (expense) income		
Interest expense	**-**	(51,333)
Interest income	**(6,960)**	10,407
Foreign exchange	**(164,907)**	427,633
Net finance (expense) income	**(171,867)**	386,707
Net loss	**(1,811,861)**	(2,746,914)
Other comprehensive loss		
Change in accumulated foreign exchange translation adjustment	**657,928**	(266,798)
Comprehensive loss	**$ (1,153,933)**	$ (3,013,712)
Basic and diluted Loss per common share	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding	**274,984,848**	274,984,848

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, 2023	Year Ended December 31, 2022
Operating activities		
Net loss	**$ (1,811,861)**	$ (2,746,914)
Adjustments for non-cash items:		
Depreciation	**36,819**	31,546
Share-based payments	**288,154**	651,879
Asset retirement obligation expense	**3,697**	10,272
Gain on derecognition of trade and other payables	**(651,005)**	(685,218)
Loss on disposal of equipment	**(32,484)**	-
Net finance expense	**(304,687)**	(51,333)
Unrealized foreign exchange	**401,063**	(476,159)
Net changes in working capital:		
Accounts receivable	**(393,790)**	370,153
Prepaid expenses and deposits	**29,550**	(12,630)
Work in process and inventory	**(30,572)**	(148,515)
Trade and other payables	**2,320,553**	1,691,385
Customer deposits	**(229,443)**	352,645
Restricted cash	**471,331**	(471,331)
Net cash provided by (used in) operating activities	**97,325**	(1,484,220)
Investing activities		
Purchase of property, plant and equipment	**(10,761)**	(688,730)
Proceeds on sale of equipment	**93,863**	-
Net cash provided by (used in) investing activities	**83,102**	(688,730)
Financing activities		
Proceeds from short-term loans	**137,500**	350,000
Loans repaid	**(265,000)**	-
Proceeds from tax equity	**-**	303,753
Net cash (used in) provided by financing activities	**(127,500)**	653,753
Net change in cash	**52,927**	(1,519,197)
Cash, beginning of year	**650,061**	2,169,258
Cash, end of year	**$ 702,988**	$ 650,061

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

Solar Alliance Energy Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' (Deficiency) Equity
December 31, 2021	**274,984,848**	**$ 48,581,031**	**$ 16,081,231**	**$ 553,915**	**$(64,311,874)**	**$ 904,303**
Warrants granted	-	-	18,351	-	-	18,351
Share-based payments	-	-	651,879	-	-	651,879
Foreign currency translation	-	-	-	(266,798)	-	(266,798)
Comprehensive loss	-	-	-	-	(2,746,914)	(2,746,914)
Balance, December 31, 2022	**274,984,848**	**$ 48,581,031**	**$ 16,751,461**	**$ 287,117**	**$(67,058,788)**	**$ (1,439,179)**

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2022	**274,984,848**	**$ 48,581,031**	**$ 16,751,461**	**$ 287,117**	**$(67,058,788)**	**$ (1,439,179)**
Share-based payments	-	-	288,154	-	-	288,154
Foreign currency translation	-	-	-	657,928	-	657,928
Comprehensive loss	-	-	-	-	(1,811,861)	(1,811,861)
Balance, December 31, 2023	**274,984,848**	**$ 48,581,031**	**$ 17,039,615**	**$ 945,045**	**$(68,870,649)**	**$ (2,304,958)**

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

1. Nature of business and going concern

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

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

1.1 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, and which could be material, 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.

The Company’s strategy to mitigate these risks and uncertainties is to execute its business plan focused on increased revenue growth from its commercial and utility installation division, improving overall gross profit, managing operating expenses and working capital requirements as required, and securing additional financing through equity or debt investments.

As at December 31, 2023, the Company had an accumulated deficit of $68,870,649, comprehensive loss for the year ended December 31, 2023 was $1,153,933, and positive cash flow from operations of $97,325. The Company is dependent on generating cash flow from its operations and obtaining equity or debt financing to fund its planned revenue growth and working capital requirements. Such financing may not be available when required, or on terms acceptable to the Company. These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern.

2. Significant accounting policies

2.1 Basis of presentation and measurement

These consolidated financial statements have been prepared on a historical cost basis, except for 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.

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 income and 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 2.4.

2.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by International Accounting Standards Board ("**IASB**") and interpretations issued by International Financial Reporting Interpretations Committee ("**IFRIC**").

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 29, 2024.

2. Significant accounting policies (continued)

2.3 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.

2.4 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, including the assessment of the Company's ability to continue as a going concern as discussed above in Note 1. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.4.1 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 fiscal year and are, but are not limited to, the following:

(a) 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.

(b) Percentage of completion calculation

The Company measures the stage of completion for Engineering, Procurement and Construction ("**EPC**") projects based on percentage of contract value delivered to customers, most usually by reference to invoices issued in accordance with project milestones achieved, unless otherwise appropriate. The estimation of total estimated costs requires judgment and changes to these estimates may affect revenue, unbilled revenue, and deferred revenue.

(c) Tax equity liabilities

The Company makes estimates in the determination of expected future cash flows to calculate the effective interest rate ("**EIR**") and amortization of tax equity liabilities. Tax equity investors generally require a specified allocation of the project's cash distributions and tax attributes such as investment tax credits and taxable income or loss, including accelerated tax depreciation. Estimates are made when determining the amount and allocation of cash distributions and tax attributes to the tax equity investors, which may be influenced by a number of assumptions such as electricity production, selling prices, costs to operate and tax amounts.

2. Significant accounting policies (continued)

2.4 Use of Accounting Assumptions, Estimates and Judgments (continued)

2.4.2 Critical Accounting Judgments

(a) Going Concern

The assessment of whether the going concern assumption is appropriate requires management to consider all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(b) Determination of functional currency

The functional currency of the Company and 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.

(c) 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.

(d) 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.

(Expressed in Canadian Dollars, unless otherwise specified)

2. Significant accounting policies (continued)

2.5 Significant accounting policies

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Details of the Company's subsidiaries as at December 31, 2022 and 2021 are as follows:

Name of Subsidiary	Place of Incorporation	Principal Activity	Ownership Interest December 31, 2023	Ownership Interest December 31, 2022
Solar Alliance Southeast, LLC	Tennessee	Operating company	100%	100%
Solar Alliance of America, Inc.	California	Dormant Company	100%	100%
Solar Alliance Services, Inc.	Delaware	Dormant Company	100%	100%
Finavera Solar Holding Inc.	Delaware	Holding company	100%	100%
Wildmare Wind Energy Corp.	BC	Holding company	100%	100%
Wildmare Wind Energy Limited Partnership	BC	Operating company	85%	85%
Abundant Solar Power (VC1) LLC	New York	Operating company	0%	100%
Solar Alliance Energy DevCo LLC	Delaware	Holding company	0%	100%
Abundant Solar Power (US1) LLC	New York	Operating company	0%	100%
Solar Alliance TE Holdco 1, LLC	Delaware	Holding company	0%	100%

There were no activities within Wildmare Wind Energy Limited Partnership, as of December 31, 2023, and as such, the 85% ownership does not result in non-controlling interest. 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.

(b) Financial instruments

Financial assets within the scope of IFRS 9 - Financial Instruments ("**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.

The Company's financial instruments are accounted for as follows:

Financial instruments	Category under IFRS 9
Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Accounts receivables	Amortized cost
Due from related party	Amortized cost
Deposits	Amortized cost
Financial liabilities	
Trade and other liabilities	Amortized cost
Customer deposits	Amortized cost
Lease liability	Amortized cost
Short term loans and note payable	Amortized cost
Tax equity liabilities	Amortized cost

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(b) Financial instruments (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 legal expectation of recovery.

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.

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.

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 cash, restricted cash, accounts receivable and deposits are classified as financial assets measured at amortized cost.

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.

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 trade and other payables, due to related party, customer deposits, and short-term loans and tax equity liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Financial liabilities recorded at FVTPL

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

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(b) Financial instruments (continued)

Tax equity structures

The Company owns and operates certain projects (solar facilities) in the US under subsidiaries that are set up as tax equity structures to finance the construction and operation of solar facilities. These structures are designed to allocate the majority of renewable tax incentives, such as investment tax credits ("ITCs") and accelerated depreciation for tax purposes, to tax equity investors ("TEIs"). With its current portfolio of solar facilities, the Company cannot fully monetize such tax incentives and it therefore partners with third party TEIs. Generally, tax equity structures allocate the majority of the project's US taxable income and renewable tax incentives, along with a portion of the project's cash flows, to the TEIs until they receive an agreed-upon after-tax investment return (the "flip point"). The flip points are generally dependent on the projects' respective returns but also may be contractually determined. At all times, both before and after the projects' flip points, the Company retains control over the projects financed with a tax equity structure in partnership with third party TEIs. Subsequent to the flip point, the Company receives the majority of the projects' taxable income, cash flows and remaining tax incentives.

When a tax equity partnership is formed, the Company assesses whether the project company should be consolidated based on the Company's right to variable returns and its ability to influence financial and operational decisions impacting those returns. Due to the operational and financial nature of the projects, and the protective nature of the rights normally given to tax equity investors, the Company typically has the control and influence to consolidate the entity.

Amounts paid by the TEIs for their equity stakes are classified as debt on the consolidated statements of financial position and are measured at amortized cost using the EIR method. The Company has the option to settle with the TEI after the flip date at a defined price and in certain contracts the TEI can put their investment back to the Company after the flip date at the same defined price. These options are generally time bound.

The Company recognizes the TEI contributions as a long-term liability, at an amount representing the proceeds received from the TEI in exchange for shares of the subsidiary, net of the following elements affecting amortized cost of the tax equity:

- *ITC:* Allocation of ITCs to the TEI is recognized in other income and as a reduction of tax equity.
- *Taxable income (loss), including tax attributes such as accelerated tax depreciation:* Allocation of taxable income and other tax attributes to the TEI is recognized in other (income) expenses as incurred and as a reduction of tax equity.
- *Cash distributions:* Cash allocation to the TEI is recognized as a reduction of tax equity.

Tax equity balances are increased by interest recognized at the implicit interest rate.

As of December 31, 2023, the Company no longer holds owns nor operates these solar facilities.

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.

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(b) Financial instruments (continued)

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.

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

(c) Cash and cash equivalents

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

As of December 31, 2023 and 2022, there were no cash equivalents.

(d) Property, plant and equipment

Property, plant, and equipment consists of operating solar facilities and corporate equipment.

Solar facilities are recorded at cost, net of accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the construction and readying of the asset for use, including borrowing costs incurred during the construction phase, and development fees to the original developer. Maintenance and repair costs are expensed as incurred.

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

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Depreciation begins on the date the assets are put in use and 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	Depreciation rate
Solar facilities	30 years
Equipment	30%
Vehicles	30%

Useful lives, residual values, and amortization methods are reviewed at least annually and adjusted if appropriate. Impairment losses are recognized as impairment losses in profit and loss.

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.

(e) Project development costs

Project development costs consist of design, development, engineering, interconnection, and acquisition costs associated with new solar facilities. These costs are capitalized within project development costs until construction begins, at which time they are transferred to property, plant and equipment. The Company capitalizes these costs when it believes the facilities will more likely than not be constructed.

(f) 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.

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.

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(g) Asset retirement obligation

The Company makes several estimates when calculating the fair value of asset retirement obligations which represent the present value of future decommissioning costs for facilities. Estimates of these costs are dependent on labour and material costs, inflation rates, salvage values, discount rates, the risk specific to the obligation, and the timing of the outlays.

Asset retirement obligations are recorded when the underlying activities requiring future decommissioning obligations are incurred. If a reasonable estimate of the expected costs to settle the liability can be determined, the liabilities are measured at the present value, discounted at a current pre-tax rate specific to the liability. In subsequent periods, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or from changes in the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings. The carrying amounts of the asset retirement obligations are reviewed at each reporting date to reflect current estimates and changes in the discount rate.

(h) 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.

(i) 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.

(j) Revenue

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

Revenue is recognized from the completion for Engineering, Procurement and Construction ("**EPC**") projects as performance obligations are satisfied over time, based on costs incurred to date compared to the total estimated costs for the project.

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(k) Loss per share

The Company presents basic and diluted loss per share ("**EPS**") data for its common shares. Basic EPS is calculated by dividing the 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 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.

(l) Foreign currency

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.

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.

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(m) Impairment

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.

Non-financial assets

Non-financial assets, such as equipment, 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.

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.

(n) Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

(n) Leases and right-of-use assets (continued)

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.

(o) Inventory

Inventory is valued at lower of cost or net realizable value determined by the first-in, first-out method. Inventory primarily consists of solar panels and other materials. The Company reviews the cost of inventories against their estimated net realizable value and records write-downs if any inventories have costs in excess of their net realizable values. Inventory is presented net of an allowance of $nil at December 31, 2023 (2022 - $nil).

(p) New accounting standards adopted

IAS 1, Presentation of financial statements ("IAS 1") and IAS 8, Accounting policies, changes in accounting estimates and errors ("IAS 8")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of materiality and how it should be applied. The amendments also align the definition of materiality across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars, unless otherwise specified)

2. Significant accounting policies (continued)

2.6 New accounting standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period".
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

3. Restricted cash

At December 31, 2023, the Company has $nil (US $nil) (December 31, 2022 - $471,331 (US $348,000)) in restricted cash which was previously being held as collateral, representing a portion of the total surety bond issued for one of the Company's EPC contracts. This balance was repaid at the end of Q2 2023.

4. Deposits

	As at December 31, 2023	As at December 31, 2022
BC License of Occupation security deposits (i)	**$ 18,000**	$ 18,000
Other prepaid deposit	**24,633**	42,123
Total	**$ 42,633**	$ 60,123

(i) The Company has $18,000 (December 31, 2022 - $18,000) on deposit with the BC Ministry of Forests, Lands, and Natural Resource Operations in respect of its remaining licenses of occupation. The funds are held in a non-interest-bearing trust by the Provincial Treasury.

5. Property, plant and equipment

The following table illustrates movements in the Company's property, plant and equipment cost balance by category:

COST	Solar facilities (2)	Other equipment (1)	Total
Balance, December 31, 2021	**$ -**	**$ 208,601**	**$ 208,601**
Additions	1,882,700	13,014	1,895,714
Foreign exchange	-	(1,671)	(1,671)
Balance, December 31, 2022	**$ 1,882,700**	**$ 219,944**	**$ 2,102,644**
Additions	-	10,761	10,761
Disposals	(1,882,700)	-	(1,882,700)
Foreign exchange	-	36,928	36,928
Balance, December 31, 2023	**$ -**	**$ 267,633**	**$ 267,633**

(Expressed in Canadian Dollars, unless otherwise specified)

5. Property, plant and equipment (continued)

The following table illustrates movements in the Company's accumulated depreciation balance by category:

ACCUMULATED DEPRECIATION		Solar facilities[2][3]		Other equipment [1]		Total
Balance, December 31, 2021	**$**	**-**	**$**	**118,342**	**$**	**118,342**
Depreciation		-		31,546		31,546
Balance, December 31, 2022	**$**	**-**	**$**	**149,888**	**$**	**149,888**
Depreciation		-		36,819		36,819
Balance, December 31, 2023	**$**	**-**	**$**	**186,707**	**$**	**186,707**
CARRYING AMOUNTS						
Balance, December 31, 2022	**$**	**1,882,700**	**$**	**70,056**	**$**	**1,952,756**
Balance, December 31, 2023	**$**	**-**	**$**	**80,926**	**$**	**80,926**

[1] Other equipment includes vehicles, office equipment, furniture and fixtures, computers, and computer software.

[2] On April 14, 2022 the Company started construction on two solar projects in New York. Depreciation of $nil was recorded in 2022 on the solar facilities as the solar facilities were placed in service on January 3, 2023. Please see Note 6.

[3] On June 21, 2023 the Company sold a 67% interest in the two solar projects in New York. On December 6, 2023, the Company sold the remaining 33% interest in VC1 and UC1. Please see Note 6.

6. Development costs

On November 15, 2021, the Company acquired a 298-kW solar development project in New York from Abundant Solar Power Inc. ("**Abundant**"), an arm's length party, for $73,724 (US $58,151), for solar development services including, but not limited to, site evaluation and feasibility studies, site approval and preparation costs, research and compliance with all US Regulatory rules, preliminary engineering, local zoning and permitting requirements, and providing engineering, procurement and construction services. The project assets are owned by Abundant Solar Power (VC1) LLC (**"VC1"**). The Company acquired 100% of the issued and outstanding membership interests of VC1 from Abundant, under a Membership Interest Purchase and Sale Agreement.

On January 31, 2022, the Company acquired a 389-kW solar development project in New York from Abundant for future obligations, for solar development services including, but not limited to, site evaluation and feasibility studies, site approval and preparation costs, research and compliance with all US Regulatory rules, preliminary engineering, local zoning and permitting requirements, and providing engineering, procurement and construction services. The project assets are owned by Abundant Solar Power (US1) LLC ("**US1**"). The Company acquired 100% of the issued and outstanding membership interests of US1 from Abundant, under a Membership Interest Purchase and Sale Agreement.

On June 21, 2023, the Company sold a 67% interest in VC1 and UC1 for non-cash consideration of $1,311,798 (US $973,361) and was settled against the tax equity note (please see note 9). On December 6, 2023, the Company sold the remaining 33% interest in VC1 and UC1 for consideration of $93,842 (US $70,000).

(Expressed in Canadian Dollars, unless otherwise specified)

7. Trade and other payables

	December 31, 2023	December 31, 2022
Trade and other payables in Canada	**$ 1,313,289**	$ 2,141,498
Trade and other payables in the United States	**2,282,374**	533,891
Total trade and other payables	**$ 3,595,663**	$ 2,675,389

During the years ended December 31, 2023 and 2022, the Company undertook a detailed review of trade and other payables, and derecognized amounts for which the Company had no further legal obligation as they were expired by process of law and are no longer legally payable, resulting in a gain on derecognition of trade and other payables of $651,005 (December 31, 2022 – $685,218).

8. Short-term loans and note payable

In June 2023, the Company closed an unsecured short-term construction loan for a total capacity of $137,500, which was due to a related party (note 17). The term of the loan is one year from the date of each advance and bears interest at 15% per annum. During the year ended December 31, 2023, the Company repaid $nil and recorded interest expense of $10,793 (2022 - $nil).

In June 2022, the Company closed an unsecured short-term construction loan for a total capacity of $350,000. $350,000 was advanced in the year ended December 31, 2022 of which $250,000 was due to a related party (note 17). The term of the loan is one year from the date of each advance and bears interest at 15% per annum. During the year ended December 31, 2023, the Company repaid $150,000 and recorded interest expense of $44,901 (2022 - $12,756).

During 2022, the Company entered into a note payable with the contractor of the two solar facilities to finance a portion of the construction costs. The note payable matured February 28, 2023 and bore interest at 15% per annum. During the year ended December 31, 2023, the Company repaid $115,000 and recorded interest expense of $11,095 (2022 - $25,989).

9. Tax equity

As of December 31, 2023, the Company owned and operated certain solar facilities in the US under subsidiaries that are set up as tax equity structures to finance the capital cost of the solar facilities. Amounts paid by the TEIs for their equity stakes are classified as debt on the consolidated statements of financial position and are measured at amortized cost using the EIR method. Amortized cost is affected by the allocation of ITCs, taxable income, and accelerated tax depreciation. Financing expenses represent the interest accretion using the EIR. The EIR of the tax equity was determined to be 0.1%, the loan value was $414,699, with a maturity date (representing the expected flip point as estimated) of 2028 and the percentage of ownership between 99%, reflecting the allocation of taxable income or loss prior to the flip date. As of December 31, 2023, $414,699 was received.

Tax equity investors in U.S. solar projects generally require sponsor guarantees as a condition to their investment. To support the tax equity investments, the Company executed guarantees indemnifying the tax equity investors against certain breaches of project level representations, warranties and covenants and other events. The Company believe these indemnifications cover matters which are substantially under its control and are very unlikely to occur.

Tax attributes earned and allocated to tax equity investors in 2023 of $139,187 (2022 - $12,362) was recognized in other income and as a reduction in tax equity.

On June 21, 2023 the Company sold a 67% interest in the two solar projects in New York. On December 6, 2023, the Company sold the remaining 33% interest in VC1 and UC1.

(Expressed in Canadian Dollars, unless otherwise specified)

10. Government Assistance

During the year ended December 31, 2021, the Company applied for and received loan proceeds in the amount of $20,000 in connection with COVID-19 Government-sponsored Canada Emergency Business Account ("CEBA") program, for a total CEBA loan of $60,000. The CEBA loan is non-interest bearing and matures on December 31, 2023. $20,000 of the total received of $60,000 is forgivable if the full loan is repaid before the maturity date, otherwise the full amount will revert to an interest-bearing loan with interest at 5% per annum.

11. Asset retirement obligations

		December 31, 2023		December 31, 2022
Asset retirement obligations	**$**	**112,034**	$	101,762
Provisions made during the period	**$**	**3,697**	$	10,272
Total Asset retirement obligation	**$**	**115,731**	$	112,034

The Company has recorded asset retirement obligations of $115,731 (December 31, 2022 - $112,034) associated with the future decommissioning of weather monitoring equipment situated on the Wildmare Wind Energy Project site.

12. Share capital

12.1 Authorized share capital

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

12.2 Common shares issued

	Number of common shares	Amount
Balance, December 31, 2021, December 31, 2022, December 31, 2022 and December 31, 2023	**274,984,848**	**$ 48,581,031**

At December 31, 2023, the Company had 274,984,848 common shares issued and outstanding (December 31, 2022 – 274,984,848) 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 year ended December 31, 2023 and 2022.

13. Warrants

The following table reflects the warrants issued and outstanding as of December 31, 2022:

Expiry Date	Exercise Price	Balance December 31, 2021	Granted	Exercised	Expired	Balance December 31, 2022
February 19, 2023	$ 0.60	14,655,255	-	-	-	14,655,255
December 29, 2027	$ 0.08	-	300,000	-	-	300,000
		14,655,255	300,000	-	-	14,955,255
Weighted Average exercise price		$ 0.60	$ 0.08	$ -	$ -	$ 0.60

(Expressed in Canadian Dollars, unless otherwise specified)

13. Warrants (continued)

The following table reflects the warrants issued and outstanding as of December 31, 2023,

Expiry Date	Exercise Price	Balance December 31, 2022	Granted	Exercised	Expired	Balance December 31, 2023
February 19, 2023	$ 0.60	14,655,255	-	-	(14,655,255)	-
December 29, 2027	$ 0.08	300,000	-	-	-	300,000
		14,955,255	-	-	(14,655,255)	300,000
Weighted Average exercise price		$ 0.60	$ -	$ -	$ 0.60	$ 0.08

14. 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.

Details of the stock options outstanding as at December 31, 2022 are as follows:

Expiry Date	Exercise Price	Balance December 31, 2021	Granted	Exercised	Expired/ Cancelled	Balance December 31, 2022
May 4, 2023	$ 0.08	500,000	-	-	-	500,000
May 6, 2024	$ 0.06	4,189,286	-	-	-	4,189,286
July 16, 2024	$ 0.06	2,000,000	-	-	-	2,000,000
December 22, 2024	$ 0.08	1,000,000	-	-	-	1,000,000
January 26, 2025	$ 0.08	300,000	-	-	-	300,000
March 31, 2025	$ 0.05	1,800,000	-	-	-	1,800,000
July 23, 2025	$ 0.05	1,600,000	-	-	-	1,600,000
October 27, 2025	$ 0.05	400,000	-	-	-	400,000
December 9, 2025	$ 0.06	100,000	-	-	-	100,000
September 13, 2026	$ 0.22	1,050,000	-	-	-	1,050,000
November 23, 2026	$ 0.18	1,000,000	-	-	-	1,000,000
August 5, 2027	$ 0.09	-	4,475,000	-	-	4,475,000
September 26, 2027	$ 0.11	-	100,000	-	-	100,000
		13,939,286	4,575,000	-	-	18,514,286
Weighted average exercise price		$ 0.08	$ 0.09	$ -	$ -	$ 0.08

(Expressed in Canadian Dollars, unless otherwise specified)

14. Stock options (continued)

Details of the stock options outstanding as at December 31, 2023 are as follows:

Expiry Date	Exercise Price	Balance December 31, 2022	Granted	Exercised	Expired/ Cancelled	Balance December 31, 2023
May 4, 2023	$ 0.08	500,000	-	-	(500,000)	-
May 6, 2024	$ 0.06	4,189,286	-	-	-	4,189,286
July 16, 2024	$ 0.06	2,000,000	-	-	-	2,000,000
December 22, 2024	$ 0.08	1,000,000	-	-	-	1,000,000
January 26, 2025	$ 0.08	300,000	-	-	-	300,000
March 31, 2025	$ 0.05	1,800,000	-	-	-	1,800,000
July 23, 2025	$ 0.05	1,600,000	-	-	-	1,600,000
October 27, 2025	$ 0.05	400,000	-	-	-	400,000
December 9, 2025	$ 0.06	100,000	-	-	-	100,000
September 13, 2026	$ 0.22	1,050,000	-	-	-	1,050,000
November 23, 2026	$ 0.18	1,000,000	-	-	-	1,000,000
August 5, 2027	$ 0.09	4,475,000	-	-	-	4,475,000
September 26, 2027	$ 0.11	100,000	-	-	-	100,000
February 23, 2028	$ 0.08	-	900,000	-	-	900,000
		18,514,286	900,000	-	(500,000)	18,914,286
Weighted average exercise price		$ 0.08	$ 0.08	$ -	$ 0.08	$ 0.08

As of December 31, 2023, the weighted average remaining contractual life of the Company's stock options is 2.18 years (December 31, 2022 - 1.58 years).

15. Share-based payments

During the year ended December 31, 2023, the Company granted 900,000 stock options to directors, officers, and employees of the Company (2022 - 4,475,000) and recorded $288,154 (2022 - $651,879) of share-based payments for options that vested during the period. The compensation expense was based on the fair value of each stock option on the date of the grant using the Black-Scholes option pricing model.

The Company made the following option grants during 2023:

- On February 23, 2023, the Company granted 900,000 stock options to directors, officers and employees of the Company with each option exercisable into one common share of the Company at an exercise price of $0.08 per share until February 23, 2028. A fair value of $68,770 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.08; dividend yield - 0%; expected volatility - 176.05%; risk-free interest rate - 3.50%; and an expected life - 5 years. The options vested a quarter after three months from the date of grant, a quarter after six months from the date of grant, a quarter after nine months from the date of grant and a quarter after twelve months from the date of grant.

(Expressed in Canadian Dollars, unless otherwise specified)

16. Income tax

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

	2023	2022
Loss before income taxes	**$ (1,811,861)**	$ (2,746,914)
Statutory income tax rate	**27%**	27%
Income tax recovery computed at statutory rates	**(489,200)**	(742,000)
Non-deductible items	**218,647**	177,000
Prior period tax adjustments and other	**22,265**	(72,000)
Change in benefit of deferred tax assets not recognized	**248,288**	637,000
Income tax recovery	**-**	$ -

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

	December 31, 2023	December 31, 2022
Tax losses carried forward	**$ 4,490,630**	$ 4,040,000
Project development costs and equipment	**104,000**	104,000
Other deductible temporary differences	**399,000**	399,000
Share issue costs	**71,500**	107,000
Unrecognized deferred tax assets	**$ 5,065,130**	$ 4,650,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's tax losses will expire as indicated below:

2036	$ 1,422,000
2037	2,806,000
2038	2,595,000
2039	2,101,000
2040	1,204,000
2041	1,540,000
2042	2,510,000
2043	1,669,000
	$ 15,847,000

(Expressed in Canadian Dollars, unless otherwise specified)

17. Related party transactions and balances

In addition to related party transactions and balances disclosed elsewhere in these consolidated financial statements, the following are transactions that occurred during the year ended December 31, 2023 and balances as at December 31, 2023 with related parties:

- Included in trade and other payables as at December 31, 2023 is $289,000 (December 31, 2022 - $265,703) due to current and former officers and directors and a significant shareholder of the Company for consulting fees, salaries and benefits and expense reimbursements.
- Included in short-term loans (note 8) as at December 31, 2023 is $137,500 (December 31, 2022 - $250,000) due to a current director of the Company.
- Included in interest expense as at December 31, 2023 is $10,793 (December 31, 2022 - $25,989) due to a current director of the Company.
- Included in professional fees as at December 31, 2023 is $13,946 (December 31, 2022 - $nil) to Marrelli Support Services Inc., a company which the CFO is related to. As of December 31, 2023, the company owed $3,492 which is included in trade and other payables.

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the year ended December 31, 2023 and 2022 were as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and benefits	**246,471**	369,667
Share-based payments	**120,489**	346,818
Total	**$ 366,960**	$ 716,485

18. Segmented information

The Company identified the operating segments as outlined in the table below based on the nature of operations and asset class. Geographical segment information is provided by country of operation.

The Company identified the operating segments as Solar EPC and Solar generation from solar facilities. During the nine months ended December 31, 2023 and 2022, all of the Company’s revenues and cost of goods sold related to its solar EPC segment. As of December 31, 2023 and December 31, 2022, the Company’s assets and non-current assets related to each of the segments:

(Expressed in Canadian Dollars, unless otherwise specified)

18. Segmented information (continued)

	December 31, 2023	December 31, 2022
As at December 31, 2023		
Solar EPC		
Total assets	$ 1,670,528	$ 1,736,517
Total liabilities	2,452,000	864,583
Solar Generation		
Total assets	-	1,882,700
Total liabilities	-	1,569,346
Corporate		
Total assets	132,169	78,902
Total liabilities	1,655,655	2,703,369
Total		
Total assets	1,802,697	3,698,119
Total liabilities	4,107,655	5,137,298

Operating segment	United States	Canada	Total
For the year ended December 31, 2023			
Total revenues	7,473,937	-	7,473,937
Non current assets (as at December 31, 2023)	87,208	36,351	123,559
For the year ended December 31, 2022			
Total revenue	4,825,984	-	4,825,984
Non current assets (as at December 31, 2022)	105,961	1,906,918	2,012,879

During the year ended December 31, 2023 the Company had three (year ended December 31, 2022 - three) customers that individually accounted for more than 10% of consolidated revenue.

19. 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).

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 had $133,802 (2022 - $73,715) as an expected credit loss allowance at December 31, 2023 and incurred $9,109 (2022 - $nil) bad debt expenses during the year then ended.

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 short term loans as all of these liabilities are due within the next 12 months.

19. Financial instruments and risk factors (continued)

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 short term loans has been mitigated by fixing interest rates at the inception of the loans. At December 31, 2023, 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 $505,279 at December 31, 2023, 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 $50,528.

20. 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) Categories of financial instruments:

As at December 31,	**2023**	**2022**
	Carrying amount	**Carrying amount**
Financial assets:		
Cash	**$ 702,988**	$ 650,061
Restricted cash	**-**	471,331
Accounts receivable	**730,205**	336,415
	$ 1,433,193	$ 1,457,807
Financial liabilities:		
Trade and other payables	**$ 3,595,663**	$ 2,675,389
Short-term loans and note payable	**137,500**	1,556,984
Tax equity	**-**	304,687
	$ 3,733,163	$ 4,537,060

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's accounts receivable, trade and other payables and short term loans are close to fair value due to their short-term maturity.

21. 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 renewable energy 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, 2023.